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THE FINANCIAL TIMES, August 9, 1975

FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Smith, Vorster in new talks

South African Prime Minister John Vorster is expected to try once again, in talks which started in Pretoria last night, to persuade Rhodesia's Mr. Smith to open negotiations with the Black nationalists.

This is expected to be South Africa's last initiative on the Rhodesian constitutional issue. Mr. Smith's arrival in South Africa with a group of Ministers came as ANC leader Bishop Muzorewa prepared to return from London talks with the British Foreign Secretary, Mr. Callaghan.

Former ZAPU leader Joshua Nkomo is also reported to be heading for South Africa. Back Page

Tories' need

The Conservatives "must come to terms" with the trade unions if they are to regain office, Mr. James Prior, "shadow" Employment Secretary, told trade unionists last night. An ORC poll gave the Tories a 14 per cent. lead over Labour. Page 8

Ulster talks

Ulster Unionists and SDLP leaders met in Belfast yesterday for the first day of crucial talks on the Constitutional Convention, against a background of sectarian rioting and a mounting Republican campaign against internment. Page 8.

Guerillas give up

The Japanese Red Army men who took over the U.S. consulate in Kuala Lumpur and the five comrades released by Japan, gave themselves up quietly to the authorities when they arrived at Tripoli and await Libyan leader Khedafi's decision on their future.

U.S. veto likely

The U.S. is considered certain to veto UN membership applications by North and South Vietnam if they are pressed to a Security Council vote next week.

Strip tease

A Bournemouth jury failed to agree yesterday whether male strip shows given at a Dorset club owned by a former policeman, which were attended by coach parties of women, constituted an offence. The case will thus have to be heard over again. The jury deliberated for four hours.

People and places

A security guard was shot in the legs when a gang robbed a Natwest bank in Old Kent Road of £10,000. On Thursday, a Denmark Hill branch of Natwest was robbed of £26,400.

Julian "Cannonball" Adderley, jazz alto sax great, died yesterday at 46 in an Indiana hospital after a stroke. His style formed a bridge between modern and traditional jazz music.

Nine-month-old Russian girl was flown to London yesterday for heart treatment under the February Anglo-Soviet health agreement.

The vicar who exorcised a prostitute on TV is resigning to concentrate on exorcism because of demand following the programme.

John and Jo Hicks, who staged a hunger strike outside ICI's "smoking beagles" laboratory in Cheshire, are recovering at home after being taken to hospital too weak to stand.

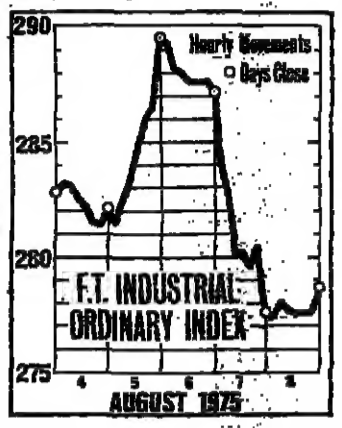
Dozens of review copies of a book about Great Train Robber Ronald Biggs have been withdrawn because of a "serious error," said the publishers.

British travellers to Portugal are warned to take precautions after reports of more cholera deaths there.

BUSINESS

Steady close to a quiet Account

● **EQUITIES** were little changed from Thursday's close until scattered bear closing in the late afternoon left prices up a penny or so. The FT 30-share index ended 1.1 up at 278.8, a fall of 7.9 over the Account, which was one of the quietest on record.



● **GILTS** staged a quiet recovery, with mediums gaining up to ½ and longs ¼ better. The Government Securities Index put on 0.20 to 59.72.

● **POUND** closed at $2.1045, with its trade weighted depreciation widening to 27.9 per cent. (27.8). The dollar's was 2.49 per cent. (2.44).

● **GOLD** was $1.325 up at $164.045.

● **WALL STREET** closed 1.95 up at 817.74.

● **TREASURY BILL** rate rose 0.0479 per cent. to 10.4715 per cent. MLR unchanged at 11 per cent.

● **COPPER** reached its highest this year on the London Metal Exchange. Page 17

● **STANDARD OIL** of Ohio is to launch a 2m. share issue, worth about $161.5m., of which about 54 per cent. will be bought by BP. BP stake in Sohio will then be over 26 per cent. Back Page

£2.4bn. reflation in Italy

● **ITALY** is to reflate its economy with a package of measures involving between L3.500bn. and L4.000bn. (£2.4bn. to £2.75bn.). Back Page

● **WORK-IN** is planned from Monday at the NVT motorcycle factory at Wolverhampton which is faced with liquidation. Page 8

● **TOUR OPERATORS** Study Group has sent compensation cheques to 3,700 holiday makers who lost money in the Court Line collapse.

● **FIRE BRIGADE** union leaders and local authority representatives have been invited to talks at the Home Office over the firemen's 14-week dispute. A Home Office inquiry is planned. Page 13

● **GLOUCESTERSHIRE** County Cricket Club is selling its Bristol ground to Phoenix Assurance. Page 8

● **SCOTTISH DAILY NEWS** is to cut its price by 1p to 5p when it re-launches as a tabloid newspaper. Page 18

● **ALFRED HERBERT** chief executive Mr. Neale Raine, is to leave his job. Back Page and Page 18

COMPANIES

● **ROTHMANS INTL.** chairman sees a recovery in profit this year. Page 17

● **JOHN JAMES** Group increased pre-tax profit to a record £1.68m. (£1.4m.) for year to March 31. Page 14

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 9% 1978	£93⅝	+ ⅛
Bowring (C. T.)	53	+ 3
Broken Hill Prop.	675	+ 10
Clayton Dewandre	53	+ 5
Lucas Inds.	103	+ 5
Nat. Westminster	190	+ 5
Stoneware	190	+ 10
Trafalgar House	76	+ 3
Shell Transport	302	+ 7
Ultramar	180	+ 8
Anglo-Vaal	£16	+ 1
Charter Cons.	174	+ 6
De Beers Defd.	315	+ 9
Pot. Plat.	248	+ 8
Waterval	212	+ 12

FALLS

Berry Wiggins	67	− 4
Booker McConnell	129	− 5
Cater Ryder	205	− 5
Costain (R.)	160	− 7
FMC	57	− 3
Hogg Robinson	116	− 7
Hoover "A"	228	− 6
Hutchison Int'l.	26	− 3
Jardine Matheson	320	− 8
Marchwiel	70	− 4
Metal Box	201	− 5
Nat. Carbonising	30	− 4
Olives Paper Mill	24½	− 2½
Peoples Dept. Store	460	− 125
Portals	118	− 4
RTD Group	32	− 5
Reyrolle Parsons	36	− 3
Stigwood (R.)	30	− 11
Swan Hunter	50	− 5
Unitech	86	− 4
Waddington (J.) "B"	76	− 4
Wimpey (Geo.)	90	− 4
Witter (Thos.)	17	− 3
Ocean Resources	21	− 3
Pancontinental	545	− 15

'Transitional' Cabinet is sworn in

Moderates attack Portugal's new Government

BY JANE BERGEROL

Portugal's new fifth provisional Government, sworn in yesterday under General Vasco Gonçalves, has been condemned by Socialists, Popular Democrats and leading Armed Forces Movement dissidents as "unrepresentative and incapable."

Even President Costa Gomes admitted at the ceremony that it was only a transitional Cabinet, giving time for a more definite solution to the long-drawn-out political crisis.

The announcement of the Government has prompted the most dramatic split so far in the Armed Forces.

Officers dissenting from the radical and Communist groups, led by the former Foreign Minister, Major Melo Antunes, published a manifesto condemning the Government's "lax credibility," adding that it "is manifestly incapable of governing."

Radicals

The manifesto was circulated to military units and the officers have been condemned by the ruling troika as guilty of infringing military discipline. Both Gen. Gonçalves and the Information Minister, Commander Gesuino, intimated the officers should be punished for their action.

The strong words they used in the document show the bitterness of the moderates who have been trying to unseat the Prime Minister and return Portugal to a representative Government since the fall of the fourth coalition in mid-July aftre both Socialists and Popular Democrats resigned.

The manifesto accuses radicals of trying to instal "a bureaucratic dictatorship" in a "fascist spirit."

Equally strong condemnation came from Dr. Mario Soares, leader of the Socialist Party who, in an open letter to President Costa Gomes, said the Prime Minister was clinging to power and portraying himself as the "saviour of Portugal" in much the same way as the country's former dictator, Dr. Salazar.

The ruling troika has condemned the moderate officers for "disturbing the revolution" and said their manifesto is "divisive and aimed at possibly prolonging the present crisis."

As expected, the Government announced yesterday is composed of military Ministers together with civilians close to the Communist Party.

Major Arnao Metelo, the former Minister of the Interior, has been promoted to vice-premier along with a little-known professor from Coimbra University.

Demoted

Two Ministerial seats were unable to be filled; Overseas Territories, which has consequently been demoted to Secretary of State, and transport and communications.

Gen. Gonçalves apparently found it necessary to axe the leading Communist Party Minister and the communications portfolio has been doubled up with public works in the absence of any other willing candidate.

Dr. Pereira Da Moura, leader of the Popular Democratic Movement, the Communist-dominated party which won 4 per cent. in the April elections, takes on Social Affairs.

U.S. Treasury agrees to car-dumping probe

BY ADRIAN DICKS

WASHINGTON, August 8.

THE U.S. Treasury goaded into action by complaints from Congress and from the United Automobile Workers' Union announced to-day that it is opening a formal investigation into allegations that imported cars are being dumped on the U.S. market.

Prices of vehicles imported from Britain, Germany, France, Italy, Japan, Belgium, Sweden and Canada are being examined by the U.S. Customs service. At the same time, the Treasury has asked the U.S. International Trade Commission to determine whether there is any reasonable evidence of injury to the recession-hit American motor industry by imports.

The investigation believed to be the biggest ever undertaken by the Treasury, involves trade worth a total of $7.5bn. during 1974, according to Mr. David Macdonald, Assistant Secretary for Enforcement and Tariff affairs.

Warranted

He emphasised to-day: "The decision to initiate the investigation should not be viewed as a determination that dumping exists. The Treasury action means only that a sufficient amount of information has been received to warrant further, in-depth inquiry concerning whether foreign autos are being sold in this country at "less than fair value."

Sales of leading foreign car manufacturers imported into the U.S. during first seven months of 1975:

Volkswagen	190,155
Toyota	167,045
Datsun	148,148
Fiat	58,217
Honda	57,539
Mazda	49,691
British Leyland	46,249
Capri	40,051
Colt	40,005
Volvo	38,604
Audi	33,319
Opel	28,127

Under the terms of the new Trade Act, the Treasury is in fact obliged to make preliminary inquiries if it decides that the complaints of dumping are valid. In spite of protests by the Common Market Commission and several European Governments that only the U.S. motor industry itself would have standing to file a complaint, Mr. Macdonald said he was satisfied that the UAW and Congressman John Dent's Labour Standards Sub-committee were eligible.

However, the complaints do not have the support of U.S. manufacturers, and Mr. Macdonald said that this position "had raised substantial doubt that there is a link between the allegedly dumped imports and the depressed state of the industry."

Prisoner

If the International Trade Commission finds no such link within the next 30 days, the Treasury can under the Trade Act drop the whole matter—as it would doubtless be glad to do. It can also throw out the complaints if the Customs investigation finds no evidence of sales at less than fair value by next February 7.

Announcement of the Treasury's formal investigation follows several weeks of polemics by both the UAW and its president, Mr. Leonard Woodcock, and by Congressmen

Continued on Back Page

Motor traders deny agreement by Japan, Page 18

£166m. support from 'lifeboat' for Mercantile Credit

BY MARGARET REID

MERCANTILE CREDIT, the finance house for which Barclays Bank is bidding £36m. to get full control, has had £166m. of support loans from the "lifeboat" group set up by the large banks to help concerns hit by the secondary banking upheaval.

Revealing this was the support at the time of the offer last month, Mercantile's chairman, Mr. Daniel Meinertzhagen, tells shareholders that if the company were to remain independent full restoration of profits and dividends would be unlikely for some time to come.

In his letter, with the formal offer documents, he says that the scarcity of new deposits has made it difficult to sustain even the present volume of business and that, on its own, the group would not have been able to do so without substantial help from the support group.

Trading profits

As to current trading experience, Mercantile is continuing to trade profitably, even taking no credit for unpaid interest in defaulting property situations. Internal management figures show an improvement in the third quarter of the current year over the first two quarters.

This account of current trading is, however, before taking account of exceptional provisions, virtually all of which relate to the property portfolio. In the full year to September 30, 1974, the group made a profit of £6.9m. before exceptional provisions of £3.5m.; while in the six months to March, 1975, there was a £2.6m. profit before £11m. was set aside against doubtful debts.

Mr. Meinertzhagen says these provisions totalling £14.5m. should prove quite adequate, "but conditions in property markets are uncertain and the position is, and has to be, continually under review. The full year's figures, therefore, may be subject to adjustment in respect of the property portfolio."

Barclays, which already holds some 18 per cent. of Mercantile, is making a share offer worth some 26p per Mercantile share, with a cash alternative of 29p. Last night Barclays shares were unchanged at 235p and those of Mercantile remained at 28½p.

The offer, recommended by the Mercantile directors and advised by Lazard Brothers and Kleinwort Benson, is being accepted by Commercial Union Assurance, with a 22.3 per cent. holding.

Mr. Meinertzhagen plans to resign as chairman and a director at an early date in order to facilitate the reconstruction of the Mercantile Board. Further representatives of Barclays, in addition to Mr. A. G. Tritton who is already a director, will be invited to join the Board.

Mercantile has been the third largest recipient of support loans from the "lifeboat" group of the Bank of England and the big banks which together put up £1.2bn. to replace deposits withdrawn from a range of more than 20 concerns in the secondary banking upheaval.

The two larger borrowers are United Dominions Trust, with some £450m., and First National Finance Corporation, with around £350m. Bowmaker, a smaller recipient and a member of the C. T. Bowring group, is likely soon to be able to dispense with support group loans.

New chairman

A smaller borrower is Keyser Ullmann Holdings, where Barclays Bank vice-chairman, Mr. Derek Wilde, recently took over as chairman from Mr. Edward du Cann, and which recently announced losses for the past year of £61m., after provisions.

United Dominions Trust, where another leading clearing banker, Mr. Leonard Mather, previously vice-chairman of the Midland Bank, moved in as chairman last year, is due shortly to disclose its results for the past year.

For the first six months to December 31, 1974, UDT announced a pre-tax loss of £27.3m. after setting aside provisions of £21.6m. against loans secured on property in the U.K.

In view of further deterioration in certain parts of the property market this year, and to some extent of other problems affecting borrowers, it it likely that UDT will include certain further provisions against doubtful debts in its full-year accounts. These may well raise the existing £21.6m. to something in the region of £35m.

£ eases slightly against dollar

By William Keegan, Economics Correspondent

THE POUND had a much calmer day on the foreign exchange markets yesterday, but still closed at a new all-time low of $2.1045 against the dollar, compared to $2.1055 on Thursday night.

There was some intervention by the Bank of England early in the day—when sterling twice fell to $2.0980. After that the rate recovered in very thin markets, with buying of sterling by New York banks in the afternoon.

The main point about yesterday's movements is the relative stability in the sterling/dollar rate after the sharp 2½ cent drop on Thursday.

In terms of the dollar the pound has fallen 4½ cents in seven days, bringing the decline to nearly 10 cents during the past month.

Increase

This process has reflected the strength of the U.S. currency rather than the weakness of the pound. Although the weighted depreciation of the pound against all major currencies has also widened recently, sterling is on this basis still stronger than it was at the beginning of July.

Last night it closed at 27.9 per cent. below December, 1971, levels, compared to 27.8 per cent. on Thursday and an all-time closing low of 28.9 per cent. on June 30.

The relative calm in the foreign exchange markets yesterday enabled the Bank of England to leave its Minimum Lending Rate unchanged at the 11 per cent. to which it was raised two weeks ago, when the increase in U.S. interest rates first posed the threat of a switch of overseas funds from London to New York.

Pressures

The pressures from this source were underlined yesterday by a further increase in the First National City Bank prime lending rate, to 7¾ per cent.

On the other hand, the latest data on the behaviour of money supply in the U.S. point to tighter control of the situation than was apparent in May and June.

It was the rapid growth in U.S. money supply then which prompted the U.S. authorities to engineer an increase in interest rates.

Why sterling wilted Page 12

£ in New York

—	Aug. 8	Previous
Spot	$2.1015-1025	$2.1040-1050
1 month	0.80-0.75 dis	0.72-0.75 dis
3 months	2.37-2.32 dis	2.22-2.23 dis
12 months	8.30-8.20 dis	8.30-8.05 dis

July boost for building societies

BY JOE RENNISON

NET RECEIPTS into the building societies in July are expected to show a large increase over those of June when the figures are published next Friday and will probably show the third best monthly level this year. Provisional estimates from the societies show that the net inflow could reach £280m. compared with £207m. in June.

The societies will be pleased by this somewhat surprising increase in the money flowing in. It will confirm the success they have had so far in attracting funds.

Average

The figures for June were expected to be lower than the average for two reasons. On June 1, the rate paid to investors was dropped by ½ per cent. to 7 per cent. tax paid. This move coincided with the introduction by the Government of index-linked savings schemes first for the elderly and then for the community at large. These schemes were expected to take some of the funds that would normally go to the societies.

The recovery in July will prove the success of the societies as a haven for money in difficult economic times. The inflow was more than expected despite the fact that July is normally a good month for societies' receipts.

The inflow so far this year will remove any fear of mortgage rationing to prospective borrowers. As one official in the movement put it: "We can go on living on our fat for at least the next six months." He admitted that if investment continues at the present rate the societies could find themselves with an embarrassment of riches.

The "fat" is the very large amount of money the societies are holding in liquid funds on the money markets or as cash. At the end of the half year this amounted to 19.5 per cent. of total assets or £4.3bn. The liquidity ratio is certain to rise still further if the present rate of saving continues. Even if the net inflow dried up completely this cushion would allow the societies to continue lending at the present level for a considerable time.

The societies have been approving mortgages at the rate of around £450m. a month for the last few months and it is unlikely that they will increase this figure no matter how much money comes in. It is the level of lending thought appropriate by the joint advisory committee—the body set up in conjunction with the Department of the Environment to monitor inflow and lending—to be put into the property market without causing overheating.

Criticised

The societies have been criticised recently, particularly by the house builders, for storing up so much liquid cash instead of putting it out into the market. But the societies point out that, apart from the question of overheating, it is precisely to give the builders confidence in the future that they are holding these funds.

It is pointed out that the present happy state of affairs in the societies' financial affairs could quickly change. If interest rates continue to rise there could be a sharp switch by investors to more favourable forms of investment. It is unlikely—for political reasons—that the societies could counter this by increasing their investment and borrowing rates.

FEATURES

ON OTHER PAGES

For latest Share Index 'phone 01-246 8026

The week in London and New York

Sterling under pressure again

Once again all eyes are on sterling and by the middle of the week the prospect of another official boost to interest rates had begun to push gilts noticeably lower. But MLR — which rose a full point two weeks ago— stayed put yesterday, and gilts generally had a better day despite further significant evidence of the upturn in U.S. rates. Equities have continued to drift in no-man's land with dealing volume still at a very low level. Over the week the 30-Share index has eased 4.0 points to 278.8 for a decline over the account of 7.9 points.

The fears in the gilt market over the weakness of sterling — its trade weighted depreciation has this week widened from 26.3 per cent. to 27.9 per cent. under pressure from the strength of the dollar—were sharpened on Tuesday when the clearing banks moved to align with MLR and raised their base rates (by half a point to 10 per cent.). The cost of three month inter-bank money has now jumped nearly an eighth over the past ten trading days.

In equities a widely held view that the market is likely to trade at current levels for some time coupled with the full onset of the summer lull is holding down dealing volume. The rights issue queue still apparently stretches in the autumn but no major issues have appeared for a couple of weeks and it is known that a number of companies have changed their minds. As for the sectors, some of the financials have stood firm against the general drift this week, notably the banks and the three insurance *sectors.*

TOP PERFORMING SECTORS IN FOUR WEEKS FROM JULY 10

	% Fall
Hire Purchase	−1.5
Toys & Games	−2.2
Household Goods	−6.6
Insurance (Composite)	−8.0
Food Retailing	−8.9
Oils	−9.3

THE WORST PERFORMERS

	% Fall
All-Share Index	−12.2
Packaging & Paper	−14.4
Breweries	−16.0
Office Equipment	−19.4
Contracting & Construction	−19.8
Property	−21.1
Wines & Spirits	−25.7

Hopeful trend at Shell

This week's results from Royal Dutch/Shell highlighted the importance of overseas earnings and demonstrated once again the group's resilience, at least in comparison with the U.S. oil majors, in the face of falling oil demand and excess refinery capacity. Second quarter net income of £237m. was £10m. lower than the comparable period in 1974 but £17m. higher than the first quarter. And although the element of growth over the two quarters is accounted for by £25m. of tax clawbacks together with currency movements and asset disposals, the trend is still encouraging. Prices in oil operations seem to have stabilised and while oil volume outside North America dropped by 14 per cent. in the second quarter, margins on oil trading showed a small improvement.

One reason for this is that the group is strong in lighter products outside the U.S.—the cruellest squeeze has come at the heavier end (for example, fuel oil for electricity generation) where BP, say, has a greater commitment. Shell's contrast with Exxon's second quarter, (a 28 per cent. drop in Eastern Hemisphere income) lies, apart from currency factors, in the U.S. company's greater exposure to Italian markets as well as its heavier involvement in crude selling operations. For Shell, at the same time, the sharp rise in variable costs in the past 18 months, has partially offset a low level of capacity working.

The quality of Royal Dutch/Shell's earnings is also felt to be improving as, on one estimate, the Groningen gas field accounts for about 20 per cent. of total earnings. This represents a steady source of future income. In addition, the group has converted second quarter income from North America, around a fifth of the total, at an average rate of $2.32 so the recent performance of sterling is in its favour. At any rate, the oils sector has out-performed the market by over a quarter this year and yet Shell, 302p up 20p on the week, is still selling on less than five times "recession year" earnings of perhaps £900m.

Question mark over Hutchison

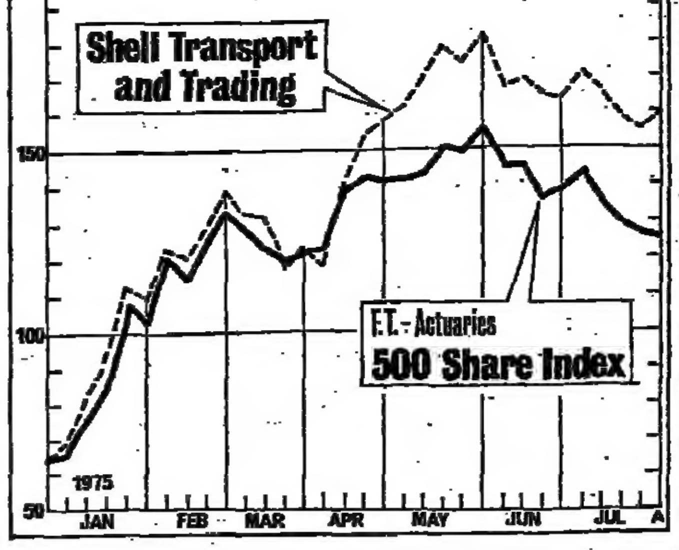
The Far East traders have been active this week; Jardine Matheson and Wheelock Mardon have both pushed ahead in striking contrast to the dismal downwards trend generally in London, and even Hutchison International has held level. The latter may look curious in relation to Thursday's statement from Hongkong and Shanghai Banking—that it had changed its mind about underwriting Hutchison's rights issue—but then matters are seldom straightforward in the East.

A major question mark has been hanging over Hutchison for more than two months. In May the group announced 1974-75 losses of HK$130m. and a HK$178m. rights issue in the same breath, since when rumours concerning the company's poor financial viability have been rife. However, it is clear from the Hongshang statement that something akin to a rescue operation is now being mounted for Hutchison. Hongshang reckons that the group needs "substantial support" in the form of additional capital, and that "the *failure* to meet its legal obligations could have serious consequences."

The deal proposed by Hongshang—and Hutchison has just 30 days to make up its mind—is for the bank to put HK$150m. in new equity into Hutchison at HK$1 a share—which is roughly half current market values and less than a third of the group's net worth, according to some estimates. This would give Hongshang about a third of the enlarged equity of Hutchison—and also substantial Board *representation.*

Contrasts in steel stockholding

Results from three steel stockholders this week and another at the end of July have shown that there are *one or two* isolated firm spots within the industry despite the unprecedented slump in demand for steel that has this year pushed down production at the British Steel Corporation by 45 per cent. All four companies, have produced figures for the six months to March 1975 during which period a slump was clearly evident. But while Glynwed and G. M. Firth have shown the expected shortfall in earnings *Brown and Tawse and James* Austin have actually chalked up growth.



A flat trend in the building and motor industries along with that in consumer durables has hit demand for stainless steel and steel sheet and plate. Glynwed *specialises* in stainless steel and its profits in this division are some two-thirds lower for an overall shortfall of some £3.2m. at £5.3m. for the six months. G. M. Firth is involved in ordinary plate and its profits are 47 per cent. lower.

However prime heavy plate is evidently still in short supply and demand from the shipbuilding industry overseas has been high. This is why James Austin has managed to buck the trend with second half profits more than doubled. Other factors here include a net cash position of about £1m. and a strong trend in structural engineering. Brown and Tawse has cashed in on the demand for tubes from the process industry and second half profits were 4 per cent. higher.

Still even in these areas demand has lately begun to decline, and along with the sector in general stocks are expanding and liquidity is becoming tight. Glynwed and Firth are already highly geared, and lately there has been a deterioration in the Brown and Tawse balance sheet.

Fingers crossed in durables

Despite all the TV gloom—colour set deliveries in the U.K. are *now running* 28 per cent. down after six months of 1975—the Thorn share price has remained remarkably stoical this week. The tone of the 1974-75 full report has clearly helped, pointing to a strong trend in TV rental, scope for improving returns overseas and forecasting maintained profits this year.

None the less, the tide is plainly turning against the durables sector, given the squeeze on *disposable* incomes plus a 25 per cent. VAT rate. Hoover produced some surprise second quarter profits growth on Thurs*day—putting the group* 72 per cent. ahead pre-tax for the six months—but the interim dividend was just held. Like Thorn, *Hoover keeps* its fingers crossed when studying this year's sales charts, though in Thorn's case the question of cutbacks in capacity look to be more imminent.

Still, the two companies do not have any liquidity problems. Thorn's borrowings are currently around a third of shareholders' funds while at December Hoover was sitting on net cash of over £11m., against £70m. of group capital employed. Hoover reckons demand for washing machines is holding up well enough *so far this summer,* and *it sees* certain strengths overseas. Thorn's overseas potential can be judged by non-U.K. sales last year of £168m., against pre-interest profits of under £4m.

Onlooker

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1975 High	1975 Low	
F.T. Ind. Ord. Index	278.8	− 4.0	365.3	146.0	Continuing lack of confidence
Treasury 8½% 1987-90	£70	− 1½	£75½	£53½	Sterling/interest rate fears
AVP Inds.	45	+ 5	56	21	Increased profits
Austin (James) Steel	48	+ 5	51	23	Excellent results
Beecham	258	− 7	310	116	Depressed by large seller
Botswana RST	67	−17	112	56	Depressing half-yearly report
"Bats"	270	−13	338	164	Fear of fresh curbs on smoking
Churchbury Estates	130	+13	130	65	Fresh rise on bid hopes
Clairmace	56	+10	58	24	Buying in thin market
Glynwed	64½	+ 4½	94	31	Maintained div. forecast
Johnson Matthey	234	−14	345	120	Broker's adverse circular
Pot. Plat.	248	+16	248	100	Johannesburg buying
Sandeman (George)	40	+ 5	75	30	Spec. demand in thin market
Shell Transport	302	+20	343	118	Impressive 2nd-qtr. figures
Stigwood (Robt.)	30	− 9	41	12	Bid talks with U.S. group ended
Stroud Riley	18	− 4	24	10½	Dividend cut, lower profits
Tobenoil	25½	+ 5½	25	15	Agreed bid from GEI Int.
Tube Investments	220	−12	312	121	Broker's "sell" recommendation
Waterval	212	+27	205	95	Johannesburg buying
Western Motor	10	−12	40	10	Sharply reduced profits/no div.

Uncertain market

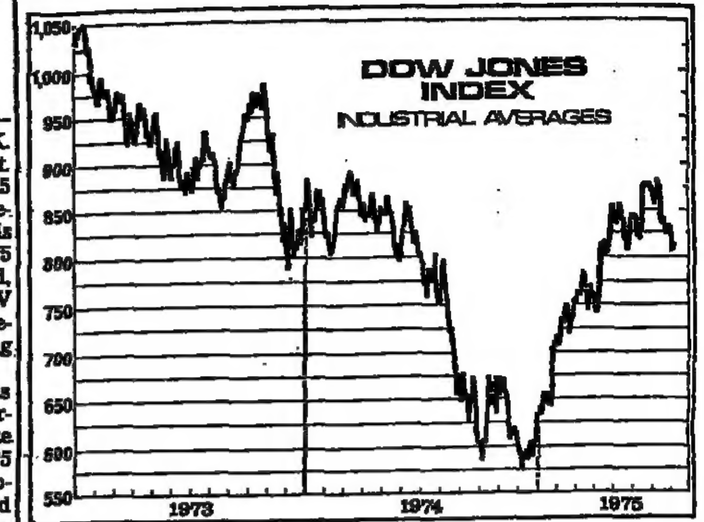
BY JAY PALMER — NEW YORK, August 8.

A YEAR AGO to-morrow, August 9, a shattered Richard Nixon appeared on nationwide U.S. television to announce his immediate resignation.

The move, however, unprecedented it may have been, caused little surprise, culminating *18 months of* escalating Watergate scandal during which the economy had slid faster and faster into recession.

Those same 18 months of Nixon's second term saw Wall Street's Dow Jones index turn from an all-time peak of over 1,050 to a resignation day level of about 785.

Now, a year later, the U.S. economy is struggling to get out of that same recession, amid dangers that the old enemy inflation will once again get out of hand. Wall Street during the period first moved sharply lower to around the 580s (during December, 1974), before rocketing upwards again to its present level of 815.



Economic conditions now could hardly be more *different.* While a year ago the worries were that the oil embargo would send the U.S. into a deep depression, today concern is simply that Wall Street may just have already overdiscounted a certain recovery.

The indicators are looking good (most of them at least) with the profit slump ending, unemployment more or less holding its own and even the housing market showing fresh *signs of life.*

At the moment surveys of the second quarter of the year are starting to arrive. The latest, a study of corporate profits, shows a sharply decreased rate of decline in corporate returns compared with the slump seen last year. Whereas profits overall fell about 22 per cent. in the second three months of 1974, this year they dropped a mere 7 per cent. And while profits are well down on the first quarter, there is a hopeful sign in a slight rise in profit margins.

Last week in this column, I mentioned that the once favoured glamour stocks had been especially bad performers in recent weeks and indeed over *the whole of* this bull market that stretches back to December. A recent study by Wood's Index measures this even more closely showing that top-grade institutional stocks have overall fallen over 13 per cent. just over the last month.

With their average price earnings *multiplies still high, further* declines seem highly probable as investors continue to switch portfolios to what they see as the next glamour stocks. The recent sharp drop in NYSE trading (this week saw trading volume on two separate days fall to a low for the year) indicates that the adjustments may be harsher than anticipated.

The review on the week would not be complete without a mention of the crisis in the New York bond markets. Rising interest rates forced up by Federal Reserve tight credit has resulted in sharp bond price declines. At *the same time, very heavy* supply of new Treasury issues aimed at making up the budget deficit have sent Treasury yields close to peak levels.

The result has been not unexpectedly a sharp increase in swapping—the sale of corporate debt for reinvestment of cash in Government issues. Facing this sort of high cost and probable fall off in demand, four of the week's seven scheduled issues were concelled *or indefinitely postponed.*

DOW JONES INDUSTRIALS

	CLOSE	CHANGE
MON.	818.05	−8.45
TUES.	810.15	−7.90
WED.	813.67	+3.52
THURS.	815.79	+2.12
FRI.	817.74	+1.95

MINES IN THE NEWS

Less gravy on the train

BY KENNETH MARSTON

IT'S BEEN another good week for metal prices, although much of the strength in London has reflected the falling value of sterling. Still, it encourages shareholders to look forward to to-morrow's better times while living through the current period of falling earnings and dividends.

It would be nice to think that world politicians, who are no doubt smacking their chops at the *prospect* of the coming revival of mining tax and royalty income, will also recognise the fact that mining is not an easy gravy train for those who have to put up the risk capital: the lean times can be very tough, as this week's company news has shown.

Botswana headache

Times are particularly tough in Botswana for the Selebi-Pikwe nickel and copper operation which is 15 per cent.-owned by that country's Government and 85 per cent.-owned by Botswana RST. In turn, shareholders stuck in the last-named debt-stricken company are Amax with 30 per cent. and the Anglo *American-Charter Con*solidated group with a further 30 per cent. The remaining 40 per cent. of Botswana RST is held by the public.

Selibe-Pikwe is deteriorating into a major disaster for its promoters. Although it started up early last year severe technical problems at the treatment plant have hit production of nickel-copper matte which was running at only 30 per cent. of capacity in the past half year to June 30. Add to this low copper prices plus the inevitable rise in costs and the result is a half-year loss of R17.2m. (£11.4m.) for Botswana RST in the period.

Furthermore, Selebi-Pikwe is still not expected to reach full capacity next year and even when it does, Botswana RST says that "significantly" higher metal prices will be needed to "achieve satisfactory results." There are some disturbing similarities between Selebi-Pikwe and the ill-fated Mauritanian copper operation from which Charter extricated itself at a cost of £11.4m. earlier this year.

Getting out of Selebi-Pikwe would be a much more expensive business; Botswana RST was saddled with debts of R152.7m. (£100.9m.) in February of this year. The financial situation has worsened since then and further big sums of money will be needed to succour the ailing operation.

Meanwhile, the technical problems have still to be overcome. Is the big gamble still worth taking? Well, a desperate *last throw* has been known to succeed and Botswana RST says that it is hoped that matters will improve sufficiently over the next six to nine months to allow a re-financing plan to be presented to shareholders.

They face an unenviable decision. But they could be justified in demanding some pretty watertight guarantees on the subject of future profit-sharing with the Botswana Government which *has* recently increased its take of profits from the De Beers diamond operations there to 65-70 per cent.

The Zambian Copperbelt mines, which are 51 per cent.-owned by that country's Government have their own particular problems. They can produce the copper all right and they have long operating lives. But they are barely breaking even at the still low price of the metal; they are losing skilled expatriate workers; *and they are suffering* from transport difficulties and congestion at the export ports.

Mr. A. J. Soko, chairman of **Nchanga Consolidated Copper Mines,** in which **Zambia Copper Investments** has a 49 per cent. stake, has spoken this week of a *bleak outlook for the imme*diate future. And an urgent cost-cutting programme is to be instituted which will probably *mean redundancies among* the Zambian workers.

Rather better placed are the **Rio Tinto-Zinc** group's South African **Palabora** and **Papua New Guinea Bougainville** mines because they are low-cost producers of copper and the latter *property* has a valuable gold content. But they, too, are feeling the pinch. Palabora's quarterly dividend rate has been cut by over half while Bougainville has announced a half-year surplus of 19.9m. kina (£12.1m.) compared with 76.1m. kina for the same period of last year and has halved its interim dividend.

IN BRIEF

● Underlining the impact of rising costs on South Africa's gold-mining industry are this week's figures which show that half-year working profits have fallen to R680.4m. (£449.8m.) from R796.2m. in the first half of last year. The average gold price received in the latest period, however, was about $173 per ounce compared with $153 a year ago.

● Following this week's news that the share take-over of America's Central Oil by Amax has been approved, the stake in the latter U.S. giant held by London's **Selection Trust** *falls* to 8.6 per cent. But, *of* course, this should be compensated for by the increased earnings and assets of Amax.

● South Africa's **General Mining** reports a half-year net profit of R12.6m. (£8.3m.) compared with R10.77m. a year ago when the total reached R21.48m. The latest half-year earnings equal 213 cents (140p) per share but they exclude a R70,000 loss on sharedealings which compares with a profit a year ago of R2.99m.

This new monster at Anglo American Corporation's Arnot coal division in South Africa walks with the aid of its 16 engines and takes 100 tons at each bite of its giant bucket. It will clear overburden at the rate of 45,000 cubic metres a day to provide 350,000 tons of coal a month to Escom's nearby power station.

TV Radio

† Indicates programme in black and white.

BBC 1

8.55 a.m. Teddy Edward. 9.00 The Mister Men. 9.10 Boss Cat. 9.35 Play Away. †10.00 "The *Amorous Prawn,*" starring Joan Greenwood, Cecil Parker and Ian Carmichael. 11.25 "The Treasure of Monte Cristo," starring Rory Calhoun. 1.00 p.m. Tom and Jerry. *1.10 Weather.*

1.15 Grandstand: Football Focus: 1.20 Preview of the Charity Shield match and the start of the Scottish season; Racing *from Haydock* at 1.35, 2.05, 2.35 and 3.05; 1.50 Preview of the 1975-76 National Hunt season; Ruby League, 2.20, 3.35 — The Wigan Sevens; Show Jumping at 2.50; *Water-Skiing* at 3.20; Athletics at 3.35; 4.45 Final Score.

5.05 Tom and Jerry.
5.15 News.
5.25 Sport/Regional News.
5.30 For My Next Trick.
5.55 Jim'll Fix It.
†6.20 Robert Mitchum in "The Angry Hills."
8.10 Seaside Special visits Torbay.
9.00 Cannon.
9.50 News.
10.00 Match of the Day: FA Charity Shield.
11.00 That's Life with Esther Rantzen.
11.40 Ghost Story.

All regions as BBC 1 except at the following times:

Wales—9.35-10.00 a.m. Brainchild '75. 5.25-5.55 p.m. Sounds Glorious. 8.10-9.00 'Steddfod '75.

Scotland—4.55-5.05 p.m. Scoreboard. 5.25-5.30 Scoreboard. 10.00-10.25 Sportscene. 10.25-11.00 Meet Stuart and Bernie. 12.30 a.m. Scottish News Summary.

Northern Ireland—5.25-5.30 p.m. Northern Ireland News and Sport. 12.30 a.m. Northern Ireland News Headlines.

BBC 2

7.40 a.m. Open University. 3.05 p.m. Saturday Cinema: "The Constant Husband," starring Rex Harrison, Margaret Leighton and Kay Kendall.

7.25 News and Sport.
7.40 Network.
8.10 Vienna 1900.
9.00 The National Dream.
9.40 2nd House: Remember Hiroshima? . . . and Nagasaki.
10.40 News on 2.
†10.45 Midnight Movie: "The Tell Tale Heart," starring Dermot Walsh and Adrienne Corri.
12.00 "The Premature Burial," starring Ray Milland.

LONDON

9.20 a.m. Open Day. 9.45 Play a Tune. 10.10 Around The World In Eighty Days. 10.35 The London Weekend Show. *11.00* Junior Police Five. 11.10 Rock On With 45. 11.35 Randall and Hopkirk (deceased).

12.30 p.m. World of Sport: 12.35 *International Sports Special* (part 1): Show Jumping—The Dublin Horse Show and Motor Racing—The Avon Rally; 1.10 News from ITN; 1.20 The *ITV* Seven—1.30, 2.00, 2.30 and 3.00 from Newmarket; 1.45, 2.15 and 2.50 from Redcar; 3.10 International Sports Special (part 2): Polo — *England v. South* America from Windsor Great Park; 4.00 Wrestling; 4.50 Results Service.

5.10 News from ITN.
5.20 The Adventurer.
5.50 The Summer Show.
6.35 "Cyborg 2087," starring Michael Rennie and Wendell Corey.
8.15 Crown Court.
9.30 News from ITN.
9.45 Wheeltappers and Shunters Social Club.
10.20 "Taste The Blood of Dracula," starring Christopher Lee.
12.20 a.m. Go and Do Likewise.

All ITV regions as London except at the following times:

ANGLIA

9.00 a.m. Open Day. 9.25 Play A Tune. [illegible] tures on the Riverbank. 10.15 The Saturday Morning Film: "The Pure Hell of St. Trinian's." 12.00 The Woody Woodpecker Show. 5.20 p.m. The Summer Show. 6.05 Cartoon. 6.15 The Saturday Night Film: "The Crimson Pirate," starring Burt Lancaster and Eva Bartok. 10.30 The Saturday Late Film: "Lonelyhearts," starring Montgomery Clift and Robert Ryan. 12.15 a.m. At the End of the Day.

ATV MIDLANDS

9.15 a.m. Gardening To-day. 10.10 Tiswas. 5.20 p.m. Cartoons. 5.30 The Saturday Western: "Black Spurs," starring Rory Calhoun and Linda Darnell. 7.00 The Protectors. 7.30 The Summer Show. 10.30 The Late Movie: "Lock Up Your Daughters," starring Christopher Plummer, Susannah York and Glynis Johns.

BORDER

9.15 a.m. Gardening To-day. 9.45 Chess Masterpieces. 10.00 Open Day. 10.25 The Bark Family. 10.30 The Amazing Chan and the Chan Clan. 11.00 Tarzan. 12.00 Zigzag. 5.20 p.m. The Flintstones. †6.30 Saturday Film: "The Cross of Lorraine," starring Jean-Pierre Aumont and Gene Kelly. †10.30 Late Night Film: "A Place to Go," starring Bernard Lee and Rita Tushingham.

CHANNEL

5.20 p.m. The Flintstones. 6.30 The Saturday film: "Down to Earth." 10.30 The Late Movie: "Cash on Demand."

GRAMPIAN

10.20 a.m. Junior Movie: "Last of the Buccaneers," starring Paul Henreid and Jack Oakie. 11.45 Ida's Island. 5.20 Cinema: "None But The Brave," starring Frank Sinatra and Clint Walker. 7.30 The Summer Show. 10.30 The Late Movie: "Girl On A Motorcycle," starring Marianne Faithfull and Alain Delon. 12.05 a.m. Evening Prayers.

GRANADA

†10.05 a.m. Pete Smith. †10.15 Saturday Matinee: "Guns at Batasi." 12.00 Shang A Lang. 5.20 p.m. The Summer Show. 6.05 The Big Film: "Fire down Below," starring Rita Hayworth and Robert Mitchum. †10.30 For Adults Only: "Vicki," starring Jeanne Crain and Richard Boone. †12.00 Late Night Mystery. 1.05 Closedown.

HTV

10.00 Play A Tune. 10.30 Sesame Street. 11.30 Orbit. 12.00 Zigzag. 5.20 p.m. The Merrie Melodies Show. 5.50 "Tarzan the Magnificent," starring [illegible]

HTV Cymru/Wales—As HTV General Service except: [illegible]

SCOTTISH

10.05 a.m. Play A Tune. 10.30 The Way We Live. †11.00 Feature Film: "Light Up the Sky," starring Ian Carmichael, Tommy Steele and Benny Hill. 5.15 p.m. Shang A Lang. 5.45 Feature Film: "The Man Who Never Was," starring Clifton Webb. 7.30 The Summer Show. 10.30 Late Call. †10.35 Korda Classics: "Q Planes," starring Laurence Olivier and Valerie Hobson.

SOUTHERN

10.10 a.m. Regional Weather Forecast. 10.20 *London Bridge.* 10.50 *Rock On With 45.* 11.15 Inner Space. 11.45 The Lone Ranger. 12.10 p.m. Weekend. 12.15 Southsport. 5.20 The Flintstones. 6.35 The Saturday Film: "The Frogmen," starring Richard Widmark and Dana Andrews. 10.30 Southern News. 10.35 The Late Saturday Film: "Taste the Blood of Dracula," starring Christopher Lee.

TYNE TEES

9.25 a.m. Here Lies. 9.35 Play a Tune. 10.00 Open Day. 10.25 Dodo The Space Kid. †10.30 Saturday Morning Cinema: "Elephant Boy," starring Sabu. 12.00 Woobinda. 5.20 p.m. The Flintstones. 6.30 The Main Feature: "The Defector," *starring Montgomery Clift.* †10.30 *Movie* Through Midnight: "Heller in Pink Tights," starring Sophia Loren and Anthony Quinn. 12.20 a.m. "The Good Life" and "The River of Life," read by Pauline Lomas.

ULSTER

11.30 a.m. Sesame Street. 5.20 p.m. The Summer Show. 6.05 *Room 222.* 6.35 Saturday Movie: "Hot Enough For June," starring Dirk Bogarde. 8.10 Summer Sport. 10.30 The Late Film: "Emergency," starring Julie London.

WESTWARD

9.00 a.m. Gardening Today. 9.25 Play a Tune. 9.50 *Sesame Street.* 10.50 *Rock On With '45.* 11.20 The Hanna Barbera Special. 12.10 p.m. *Look and See.* 12.15 Cartoontime. 12.25 Gus Honeybun's Birthdays. 5.20 The Flintstones. 6.30 The Saturday Film: "Down To Earth." †10.30 The Late Movie: "Cash On Demand," starring Peter Cushing. 12.00 Faith for Life.

YORKSHIRE

10.00 a.m. Open Day. 10.25 Dodo The Space *Kid.* 10.30 *Saturday Morning* Cinema: "Cyborg 2087," starring Michael Rennie and Wendell Corey. 12.00 The Osmonds. 5.20 p.m. The Flintstones. [illegible]

RADIO 1 — 247m

(S) Stereophonic broadcast [illegible]

RADIO 2 — 1,500m and VHF

[illegible]

RADIO 3 — 464m, Stereo & VHF

[illegible]

RADIO 4 — 434m, 330m, 285m and VHF

[illegible]

BBC Radio London — 206m and 94.9 VHF

[illegible]

Capital Radio — 194m and 95.8 VHF

[illegible]

London Broadcasting — 261m and 97.3 VHF

[illegible]

هكذا من الاصل

مكرر من الاهرام

Your savings and investments

Rights issues in falling markets

BY TERRY GARRETT

THE DISAPPOINTING result to Metal Box's rights issue announced this week, leaving 41 per cent. or about £10m. with the underwriters, has underlined the impression that the rights issue bonanza is waning. It was only a month ago that we saw the first poor response to a big rights issue, when 57 per cent. of BOC International's issue to raise £28m. was left with the underwriters, and in all probability there will be a few more "flops" to come judging by the thin premiums that are showing on some issues.

The way the market can move against investors was highlighted by the experience of both BOC and Metal Box. At the time of issue the discounts of the rights prices against the previous day's prices were 19 and 18 per cent. respectively. Yet by acceptance day the premiums in the issue prices had dwindled to nil. Both underperformed the market during the period that the rights could be taken, and for BOC the share price fell 18½ per cent. against a market slip of *only 3 per cent.*

RIGHTS ISSUE		
Company	£m.	% taken up
UNIGATE	12.5	70
DUPORT	2.8	60
BOC	22.8	43
BUCKNALL TRUST	0.5	19
ANDERSON STRATHCLYDE	2.2	49
METAL BOX	24	59
LONDON UNITED	0.9	61
SMITHS INDUSTRIES	8.7	36

So, private shareholders must take a hard look at the rights scene, for one suspects that private individuals tend to send off applications well in advance of the final date, when the premium offered still looks healthy.

Obviously the first point to consider is whether you can afford to take up the rights, as selling a proportion to raise cash to take up the remainder is not really practical when premiums are slim, and the cost of dealing has to be borne as well. Presumably, for an existing shareholder the company may have its attractions, but this is not necessarily a reason to increase one's investment.

The initial decision must be whether as an investor you have any intention of taking up the rights, for, if not, the best course of action is to sell the rights in a nil paid form as soon as possible before the premium slides downwards. If the decision is to increase your stake, whether or not you take up the rights hinges on the price premium/discount factor.

For even though the discount in the issue price may have widened to a norm of 25 per cent. this still leaves some thin premiums by acceptance day.

For example, both issue prices for Law Land and Renold were pitched at a discount to the previous day's close of 24 per cent., but *currently the premiums are all* but wiped out as the share prices have fallen much faster than the market as a whole. Even Scottish & Newcastle Breweries, where the last day *to take up rights is as far ahead* as August 26, is only sitting on a relatively small premium now after the issue price was set at a 24½ per cent. discount in mid-July.

Normally there is no point in taking up a *rights* issue if you believe it will go to a discount afterwards, because then the logical course is to buy the shares in the normal way later on. So the approach must be to hold back applications to the last minute to see how the share price is moving. Admittedly there is the point that if the shares are bought after the rights there is the added expense of dealing, and if the discount is only expected to be small there is a case for taking up the rights.

In any event underwriters look as if they will be taking up quite a slice of some of the current issues—for example there is a suspicion that the Tate & Lyle issue (results expected Monday) may have met with a dull reception especially as by yesterday (the last day for acceptance) the rights premium had disappeared. No doubt the discount in issue prices will widen and the flow of rights slow down, but the point that private investors must bear in mind is not to rush in an application, for it may be cheaper to pick the shares up later at a time of the *investor's choice.*

Interest rates

BY CHRISTOPHER HILL

THE RISE in Minimum Lending Rate *a fortnight ago* and this week's joint move by the clearing banks to increase their base lending rates by ½ per cent. has sent a tremor through the fixed interest savings field.

Just as people get used to interest rates continuously rising, so they can get used to them falling: and the difficulty now is to decide whether the current rise is an aberration in a continuing pattern of low interest rates (due to the long-term influence of recessionary conditions) or whether the bottom of the cycle has been reached and that one can now look forward to rates increasing.

Of course, conditions in the U.K. are not the sole determinant of this and there is nothing obvious about the current trend of gilts though there looks to be more to go for at the longer end. But for the individual (excluding the high tax payer with a specific aim in short gilts) it seems to be a minefield at the moment and *he would be best advised* to stay clear unless he can invest actively with professional advice.

Where interest rates for the investor are concerned there has been very little effect so far on what is generally available—it would take another rise in MLR to accomplish this. The banks have cautiously raised their deposit rates *from 6¼ to 6½ per* cent., but this is not sufficient to upset the general balance which is still tipped towards the building societies (offering 6¾ per cent. net to the basic rate tax-payer) and the National and Trustee Savings Banks. They still offer between 9 and 9½ per cent. gross and also appear to be doing very well with the new index-linked products.

How far these will continue to attract new money if the inflation rate appears to be on the downtrend and interest rates increase is another matter.

Local authority rates—which are linked to Minimum Lending Rate—rose in line a fortnight ago from 10¾ per cent. for "yearling bonds" to 11¼ per cent. This compares with the 13½ per cent. which was obtainable at the beginning of the year.

RETURN AT THE FOLLOWING RATES OF TAX

	No tax %	35 per cent. %	65 per cent. %
Bank deposits	6.50	4.2	2.3 (approx.)
Building societies deposits	6.75	6.75	3.6
Local Authorities	11.34	7.4	4.0
National Savings Investment Account	9.0	5.2	4.5

Economic Diary

PROVISIONAL U.K. trade figures for July, incorporating import and export unit value and volume index and terms of trade, will be available on Thursday.

Other statistics next week include:

MONDAY—Wholesale price index (July). Index of industrial production (June). Retail trade (June—final). Hire purchase and other instalment credit business (June). Financial Statistics publication will cover central government borrowing *requirement (June)*.

FRIDAY—Building Societies' receipts and loans (July). British Steel Corporation production (July). Retail prices index (July). Finished steel consumption and stocks (second quarter—provisional). Preliminary estimate of gross domestic product based on output data (second quarter).

Grimond raps car pool waste

MR. JO GRIMOND, former Liberal leader, yesterday criticised the Government for making a "mockery" of its appeal for economy. He said the number of cars operating in the Government car service pool in London rose by three to 205 and that there had been an increase of 7,000 gallons of petrol used this year compared to 1974.

"The cost of providing these cars for Ministers and senior civil servants was £1,160,000. All this is in London where there is plenty of public transport, which the government are always urging people to use," he commented.

CHESS SOLUTIONS

Solution to Position No. 74. Black forgot about his back row. After 1...B-N5? (Q-Q2! favours Black) 2 B-K2, Q-Q2 fails to 3 QxR ch! KxQ; 4 B-B5 ch, K-N1; 5 R-N8 ch, N-K1; 6 BxB with a win on material.

Solution to Problem No. 74. 1 B-B1. If 1...K-Q5; 2 B-N6, K-K4; 3 P-Q4 mate. If 1...K-K5; 2 P-Q4, K-B4; 3 B-N6 mate. If 1...P-Q5; 2 R-B5, K-K5; 3 P-Q3 mate.

New wave of offshore funds

BY CHRISTOPHER HILL

IT MAY be a long time since offshore funds had their heyday in 1969 but recently there has been an upturn of interest among U.K. groups—especially where the Channel Islands are concerned.

Tyndall, for example, has been keen on this aspect for some time and more recently Abacus Arbuthnot have entered the fray, now followed by Schlesingers.

Abacus Arbuthnot launched *the Eastern and International* Fund (CI) as a Jersey counterpart to its Eastern and International Unit Trust. But the interesting point *is that the* Jersey Fund has been four times more successful in attracting investors in its early stages than was the case with the unit trust. And Arbuthnot Latham was not displeased with the sales of the unit trust.

Equally significant is the fact that *9 out of 10 of the* applications received for the Eastern and International (CI) Fund were from U.K. residents. It also appears that the U.K. authorities have relaxed their previous strictures on this point—possibly in view of the present situation that U.K. investors in a Jersey-based fund are certainly not in an equivocal position relative to U.K. tax laws—they are within the net.

But the new Schlesinger funds appear to have been equally well received by professional advisers, albeit with the addi*tional carrot of the PIMs' service* for the larger investor (as little as £2,500)—this mainly consists of a more personal service for the investor while retaining the economies of investing through *the fund medium.*

My basic question, however, is what advantage can there be for a U.K. investor to put his money into a Jersey-based fund—never mind whether it is quoted on the *London Stock Exchange? The* answers appear to be as much for emotional reasons as for those which are rational.

The first point to bear in mind about offshore funds is *that there is no positive tax* advantage for the U.K. resident. He may gain the benefit of no capital gains tax on switching within the fund—as opposed to 15 per cent. with unit trusts—*but he collects the full 30 per* cent. capital gains tax liability when he cashes his shares compared with a much reduced liability in respect of unit trusts even at the highest personal tax *rate.*

What I think is happening is that the new offshore funds are being set up with the aim of investing in overseas markets, *whereas many of the previous* offshore funds in 1969-70 were designed to aid the investor to invest more tax-efficiently in the U.K. market.

The new breed of offshore funds is also made available to the U.K. investor whereas offshore funds launched a few years ago were mainly aimed at people outside the scheduled territories.

Krugerrands

IT CAME as a surprise this *week to learn from* the International Gold Corporation in South Africa that worldwide sales of krugerrand coins were more than 50 per cent. up in July compared with the June *figure—amounting* to 423,600 coins. Most people had thought that the trend would be the other way, but—following the relative success of the U.S. gold bullion auction on June 30—there has been a marked increase in demand from Switzerland and Germany.

These two countries tend to be staging posts for the re-export of gold coins, as well as *reflecting their own healthy* appetite for gold. But what does it mean to the U.K. investor in the context of the restrictions on new imports of coin? The U.K. krugerrand dealers were not very *excited about it this* week for demand in U.K. is still very slack and the domestic premium on the coins is still around the 5 per cent. mark over the gold content. Simi*larly there has been nothing* spectacular in the movement of the gold price itself—still fairly steady around the U.S.$165 per oz. mark.

Gifts to children

BY ERIC SHORT

FOR THE past year people who wished to make gifts to their children or grandchildren have had their hands tied since, while the Capital Transfer Tax legislation was being hammered out, it was difficult to know what to do for the best. Now the position has been clarified, but that is about all the good news as far as donors are concerned.

A straightforward transfer of assets of any appreciable amount will involve them in a heavy CTT bill, despite the concessionary scale for lifetime gifts. Investors have to plan well ahead, making maximum use of the annual exemption limits, if ultimately gifts are to be made to children and grandchildren free of CTT liability. Therefore, it is an opportune time to look more closely at the various schemes now being marketed by life companies designed for the benefit of children.

The underlying strategy in all these plans is to arrange for the premiums to be treated as transfers from capital and not the ultimate policy money. Then the annual exemption limit on transfers—£1,000 plus £100 per individual—can be offset against the premiums, so that little or no CTT liability is involved. This can be arranged by writing *the life policy in trust for the* ultimate benefit of a named person—in this case the child or grandchild.

A life assurance policy has other advantages for the investor as a medium by which gifts can be made. The money can be arranged to be paid at a specific time—on the death of the donor, or on a child's 21st birthday — using a whole life or endowment assurance policy. Alternatively, the money can be paid at any time after 10 years have elapsed by using a flexible endowment or a unit-linked policy.

Basically, there are two methods of arranging a policy, each with its own uses and drawbacks. One *is for it to be* written on the life of the investor for a named person. In such a case the usual tax relief on premiums can be obtained and the full policy monies are available on early death and can be held in trust if desired. Usually there is an option for the child to take out a further policy without evidence of health. The Scottish Widow's Flying Start Endowment *Assurance Scheme and the* Life Association of Scotland's Senior Series Futureplan are examples.

The other type of policy is where it *is written on the life of the child or grandchild*, but with the investor paying the premiums. In this case a higher sum assured per unit premium can usually be obtained, but the *tax relief* concession is lost. *In addition only a return of the* premiums paid would be made if the child died before age 10. The Scottish Amicables' Junior Certus scheme and Scottish Equitable's SECA Plan fall into *this category.*

Thus, many of the usual traditional or unit-linked life policies will meet investor's requirements. But traditional life companies are now showing a greater market awareness and are packaging these old products in specially designed forms to meet these particular needs of investors.

Finance and the family

Possession on retirement

BY OUR LEGAL STAFF

I understand that the new Rent Act allows possession of a furnished tenancy where the owner requires the property for his retirement and where the tenants were aware of this when they took over. Can you kindly tell me if this is the correct legal situation?

What you say is correct, provided that the tenant was given notice *in writing* of the landlord's intention to occupy the premises on his retirement. The Court is empowered to dispense with the requirement of being in writing (Section 3 of the Rent Act 1974 imported this new provision).

A child performer

My son who is not yet 14 is receiving £7 a night for drumming in clubs, etc., usually in the evening at the week-end Is this legal? Is there anything I ought to do about it?

It is necessary for your son to have a licence to perform as required by Section 37 of the Children and Young Persons Act 1963. If a licence has not been obtained you should ensure that your son does not *take part in any further performances* until a licence has been obtained. This is important because you yourself may be guilty of an offence under Section 40 of that Act if you permit your child to take part *in a performance for which* a licence is required without having obtained one. Licences are granted by the local authority. Full details of the rules relating to licences are to be found in regulations made pursuant to Section 37 in 1968, the reference being 1968 S.I. 1728. Enquiry of the local authority should enable you to obtain a copy.

Possession of a house

Could an owner obtain possession of a house which he had let, relying on the Rent Act. 1965, whereby he was entitled *to possession for his* son or daughter and the court would decide the question of greater hardship in granting or refusing possession? Or can you suggest any other course?

The owner can let the property and rely on Case 8 of the 3rd Schedule to the Rent Act 1968 (summarised in your question) to recover possession. If the tenant were a limited company the security of tenure protection of the Rent Acts would *probably not apply* at all.

Stocks bought abroad

I have been resident outside the U.K. for 10 years and am considering the purchase of some U.S. stocks with foreign currency. When I return to the U.K. must I sell these shares? If not, may I later qualify for the premium?

You may certainly retain any U.S. stocks bought out of your foreign earnings when you resume U.K. residence, and you should ensure on your return that they are deposited with an authorised *depository*. The stocks would be subject to certain restrictions, though since you have worked abroad for more than three years these would apply for only two years after your return. During that period, sale of the stocks would require Bank of England permission. This *would* normally be given only for their sale for foreign currency *to be sold for* sterling at the official market rate *so that you would not gain* the benefit of the investment *currency premium*. After the two year period, however, under current practice, the securities would become premium-worthy.

Demand for more fees

Is a bank entitled to renegotiate fees after 25 years administration of the trust at a rate dictated by a will? If their demand is rejected, can they retire?

The bank has no right to renegotiate the fees. It can only seek your consent to its doing so. A trustee is not however obliged to continue in office indefinitely, and can therefore retire if dissatisfied with its remuneration (where remuneration is permitted).

Release of a covenant

You replied under the heading Deed of Release (June 14), to a reader who had obtained planning permission for the erection of a house in his garden, forbidden by a covenant in his deeds, but whose neighbour, the sole beneficiary of the covenant, had first agreed to release the covenant, but then failed to take action. You said "if you obtained his consent before making your planning application, he may be stopped from enforcing the covenant against you." Is not the reverse correct?

We still think that there could be an estoppel in the instance which we postulated, that is if the covenantee was asked for consent, which was given, to a release or waiver of the covenant for the purpose, known to the covenantees of the covenantor's building on the restricted land. The letter of consent could then amount to a representation that if the covenantor builds, the covenantee would not enforce the covenant. The obtaining of planning permission in reliance on that consent would constitute the necessary act of the representee in reliance on the representation by which the *representee suffered* a detriment (viz. the labour and expense of the planning application). We certainly do not put this proposition up as more than a possible analysis of the position postulated, though a recent decision of the Court of Appeal seems to enforce this view.

Taxation of a pensioner

My wife and I are pensioners, and had a State pension of £755, an insurance pension of £108 and dividends of £745 (tax credits £364) and building society interest of £529. The Tax Inspector has kept the tax credits and now says he wants another £49. *Is this correct?*

The £49 tax which your inspector is now asking for, for 1974-1975, relates mainly to your building society interest. The figure seems to be about right, as explained below, but we cannot be quite sure of the position from the brief details you have given us.

If you qualify for the full rate of national retirement pension, then you and your wife will have been entitled to a total of £779 during 1974-75 (assuming that you both qualified throughout that year), and not £755 as mentioned in your letter. On this assumption, your tax position is roughly as follows:

	Actually Received	Tax Credit	Gross Income
National retirement pensions			
15 weeks at £12.50	*187*		
37 weeks at £16.00	592		
	779	—	779
Private pension	108	—	108
	887		887
U.K. dividends	745	367	1.112
Building society interest	529	261	790
	£2,161	£628	£2,789
Pensions: £779 + £108 = ...	887		
Less: Personal allowance	865		
Tax due at 33 per cent. on	£22	= 7.26	
U.K. dividends and tax credit ...	1,112		
Building society interest	529		
Notional tax on bldg. soc. int.	261		
	1,902		
Less: exemption limit	1,500		
Tax due at 10 per cent. on	£402	= 40.20	
Approximate tax liability		£47.46	

We hope that this estimated calculation will help you to check the explanation which accompanied the inspector's demand for £49. If you think the inspector is wrong, write and tell him (or go to his office)—no appointment should be necessary. *You will find that* the staff at the tax office will be anxious to put matters right if you have in fact been inadvertently overcharged.

Tax relief on interest

My parents are prepared to lend us money with which to build a garage. Since the loan is being taken to improve our property, shall I qualify for tax relief on the interest? *My parents, because of age* exemption, are not liable to income tax. If I pay the interest net and supply them with a tax deduction certificate will they be able to reclaim the tax, or should I pay interest gross? *How do you suggest I should* set about making the loan?

Interest on loans between individuals living in the U.K. is payable without deduction of tax. Your parents will not, therefore, have to wait for a tax refund on the interest which you will be paying to them.

Assuming that any existing loans are not bringing you near the £25,000 limit, the interest on the proposed loan should qualify for tax relief (on the basis of the limited information you gave us).

An exchange of letters setting out fully the terms of the loan would normally suffice. However, transactions are rarely as simple as they appear and we recommend that professional assistance be sought. If you can all be certain that no conflict of interest will arise, one solicitor might act for all parties, in view of your parents' modest resources.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Perils of invasion by squatters

BY JOHN PHILIP

THERE ARE *few* social, economic or political problems that in some fashion do not come the way of the insurance markets sooner or later. For example, when the spate of aircraft hi-jackings began a few years back, some insurers stepped in to provide hi-jack cover not only against death or injury but also to pay compensation for inconvenience.

Since the kidnapping for ran*some of diplomats and business*men became fashionable, cover has been offered both to meet the possible ransom money and to pay compensation for the victim's troubles. The owner of an overseas summer home clearly has his investment at risk if a revolutionary govern*ment takes over the country and* so some cover against confiscation and expropriation is sold on the London Market.

Redundancy

On the commercial front, business interruption covers can be arranged to take account of *the employer's liability to make* redundancy payments to staff who have to be laid off, while finance houses have hitherto been able to offer protection to their borrowers to ensure their repayments continue *during periods of unemploy*ment—though with increasing high levels of unemployment new schemes are not being written and existing schemes are having their terms revised.

These are but some examples. The latest problem to concern insurers is the outbreak of squatting in London, which perhaps is not so much of an outbreak in itself as an outbreak of newspapers reporting on a problem which has been with us a long time. Either way, a number of people have became more anxious, not just landlords and property owners with empty or part empty premises, but also ordinary householders concerned about leaving their homes empty even for normal annual holidays.

From all that has been said in and out of the courts on the legal rights of owner-occupiers against squatters, both civil and criminal, the law seems to be in a *sorry* state, much in need of reform. Meantime, can either the property owner or the ordinary householder insure against invasion by squatters?

With the attendant legal problems, the cost of eviction may be high. While the unwelcome visitors are present there is clearly some loss of property rights, loss of use and amenity, on which a financial value can be put, and there may be positive *loss of rent* because an incoming tenant is prevented *from taking up residence*. Even more tangible is the cost of repairing damage caused to decorations and furnishings and of replacing property taken.

So far as I know as yet no insurer is offering cover for anything other than the cost of repairing damage or replacing property, but this is not to say that such cover is not available. If it is, or if it is to be, then I would think the most likely source is a Lloyd's Insurance Broker.

Damage

But all householders, landlords, and property owners can have some cover against malicious damage done to their property and possessions: as householders under buildings and contents insurances, as *landlords and property owners* under special perils insurances sold in conjunction with basic fire cover.

At one time it was the custom of insurers to provide cover only against malicious damage caused by politically motivated persons. But practice in recent years has been to eliminate the political restrictions and now most modern covers provide much wider insurance than a few years ago, and speak just of malicious damage or, less frequently, damage by malicious *persons*.

So the question is what do insurers mean by malicious? In simple English, malicious does *not connote only spite. It means* little more than wilful, intentional and deliberate. So damage caused accidentally is not normally covered, but quite clearly the painting of slogans and pictures on walls, the deliberate use of equipment and furnishings not caring as to the state they are left in, ought by any yardstick of simple English to be within the terms.

I say this despite the fact that as the law stands at present it may be difficult to bring a successful prosecution against a squatter for causing malicious damage to the premises he has been using or the contents. But in this respect I am sure that insurers neither wish to, nor in fact will, shelter behind any such legal nonsenses as at present exist.

Home insurances normally have *an unoccupancy restric*tion, which applies only to long-term unoccupancy and does not affect the cover the policyholder has during his normal holiday. On the commercial side, when providing malicious damage cover, insurers take unoccupancy into account in fixing the extent of the cover and the premium they charge.

"All risks" insurances, whether domestic or commercial, do not normally have any unoccupancy clauses. Neither do they specify the perils insured against, only the perils excluded, and so the "*all risks" policyholder should* normally have cover against damage whether caused accidentally or deliberately. But of course "all risks" cover is provided on possessions and contents, not on the buildings that house them.

Theft

Domestic and commercial policies provide varying degrees *of cover against theft. Policy* wordings do differ considerably and much may turn on whether there is proof either of violent and forcible entry to or exit from the premises. Insurers use these words more particularly in commercial policies, but they can restrict the cover provided *in domestic policies, for ex*ample, for the loss of cash. So a successful insurance claim for property taken by squatters may be more difficult to substantiate than a claim for malicious damage.

How Scotch whisky became legitimate

BY ROSS WILSON

CONSUMER protection, now the *responsibility of the Office* of Fair Trading, has its roots well back in British history, and owes much to the 1875 Sale of Food and Drugs Act, the centenary of which is passing almost unnoticed this year. The *19th century was noted for* adulteration, the criminal mix*ing of some other substance* with the article named for sale in order to increase weight or bulk while reducing its real value and thereby increasing its profitability.

Finally, Disraeli's "plumber" government introduced and had passed the 1875 Sale of Food *and Drugs Act, which was to* have such a profound effect that it brought into question Scotch whisky blends, involved Irish whiskey and Home Rule for Ireland.

The Act defined food as "every article used for food or drink by man, other than drugs or water." The important section of the Act was Section 6, which read: "No person shall sell to the purchaser any article which is not of the nature, substance and quality of the article demanded by the purchaser under a penalty not exceeding £20; provided than an offence shall not be deemed to be committed under this section in the following cases: (1) where any matter or ingredient not injurious to health has been added to the food or drug because the same is required for the production or preparation thereof as an article of commerce, in a state fit for carriage or consumption, and not fraudulently to increase the bulk, weight or measure of the food or drug, or conceal the inferior quality thereof; (2) *where the food or drug is a pro*prietary medicine, or is the subject of a patent in force and is supplied in the state required by the specification of the patent; (3) where the food or drug is compounded as in the act mentioned; (4) where the food or drug is unavoidably mixed with some extraneous matter in the process of collection or preparation."

The Act was not faultless and Section 6 caused *a lot of bother* and re-consideration, particu*larly regarding* spirits sold in public houses. At that time there was little trade in bottled spirits: most spirits were sold to pubs in bulk, at proof strength or above to be reduced by the landlord. One result was that *an amending* Act had to be passed in 1879 to deal with the question of the proof strength of spirits—"in determining whether an offence has been committed under Section 6 by selling spirits not adulterated otherwise than by the admixture of water, it shall be a good de*fence to prove that such* admixture has not reduced the spirit more than 25 degrees under proof for brandy, whisky or rum, or 35 under proof for gin."

But what was whisky? Was a mixture of the traditional pot still malt whisky—about which *there could be no argument*—and the new-fangled patent still, or silent spirit, whisky? Was not an admixture of traditional pot still whisky and patent still an example of adulteration, an adulteration of genuine whisky *by some silent spirit—that kept* silent about its dubious origins?

Irish whiskey distillers, four in particular, were all quick off the mark, and in anticipation of the 1879 amending Act published in 1878, their *Truths about Whisky*. Their book claimed that they had "for the last two years been engaged in an endeavour to place some check upon the practices of *some fraudulent traders* by whom silent spirit, variously disguised and flavoured, is sold under the name of whisky . . .

"The point of their objection rests solely upon the substitution of silent spirit for whisky when whisky is demanded; and the validity of this objection must be admitted to depend upon the correctness of their *definition of whisky as a spirit* which is distilled either from *malt, or a mixture* of malt and unmalted corn, from barley or oats, or malt, or from a mixture of them, in a so-called pot-still, which brings over, together with the spirit, a variety of flavouring and other ingredients from the grain . . ."

"Silent spirit, on the contrary, is made in what are called 'patent' stills from any vege*table matter which contains the* materials necessary for *fermentation*, and the patent still, when it is properly and carefully managed, brings over alcohol and water only, leaving all flavouring matter behind."

That was the heart of the matter: What *is* whisky? But they went on:

"Hence, damaged grain or *potatoes, molasses refuse*, and various other waste products, are cast into the all-devouring maw of the patent-still, and they all yield alcohol and water by distillation: so that, if alcohol and water were whisky, they would all yield whisky. As a matter of fact, these things *no more yield whisky than they* yield wine or beer."

Was it *entitled to the name* of whisky? Was a mixture of undoubted pot still whisky and patent — "silent" — spirit an adulterated product? Was selling such a mixture to a man who asked for whisky giving him an *article* "*not of the nature, sub*stance and quality demanded" an offence against the Food and Drugs Act? Was it adulteration?

A Parliamentary Select Committee of 1890-91 would not quite commit itself and considered this mixture more of the nature of a dilution of *whisky than an adulteration.* The Committee's findings left the door open for further legal exploration—and exploitation.

Ten years later began a host of local authority prosecutions against publicans and off-licensees for selling as cognac an article "not of the *nature, substance and quality* demanded"—namely, cognac brandy. After around 1885, the phylloxera scourge had killed off most of the vines producing wine to distil into cognac; the cognac shortage produced a multitude of bogus products and the local authority prosecu*tions succeeded every time.*

Islington Borough Council decided to do the same with whisky, to bring cases under the 1875 Sale of Food and Drugs Act that persons purchasing whisky but who were supplied with a blend of pot still whisky and patent still spirit were being sold an article "not of the nature, substance and *quality demanded.*"

Of the dozen prosecutions launched, two were taken as test cases: one a Scottish case, the other *Irish, in which the* article sold consisted of about 10 per cent. pot still whisky and about 90 per cent. patent still spirit. The magistrate found the defendants guilty: only pot still whisky was whisky; patent still spirit was not whisky. The mixing of the two spirits constituted an adulteration of whisky, and the customers had not been sold articles of the nature, substance and quality demanded. That legal action began in November, 1905: the magistrate gave his decision in February, 1906. From the North London Police Court the cases went to Quarter Sessions at Clerkenwell. The Bench *was equally divided;* the Police Court judgment still stood.

Other cases ensued throughout the country, and the trade and the Scotch and Irish whisky industries were uncertain where they stood. Was a mixture of these two spirits—pot still *whisky and patent still spirit*—an adulteration under the 1875 Act? Should they continue making patent still spirit to mix with pot still whisky?

Finally, and very much against its will, the Liberal Government appointed a Royal Commission in 1908 to decide *what was whisky. In what can* only be regarded as a hedging decision the Commission allowed silent spirit to be classified as whisky:

"Our conclusion, therefore, on this part of our inquiry is that 'whiskey' is a spirit obtained by distillation from a *mash of cereal grains saccharified* by the diastase of malt; that 'Scotch whiskey' is whiskey, as above defined, distilled in Scotland: and that 'Irish whiskey' is whiskey, as above defined, distilled in Ireland."

The Irish patent still whisky in this case came almost entirely from Northern Ireland: southern Ireland was pot still whisky, and *to the end determined to resist* this adulteration of whisky, accepting only superficially and as a case of an English decision what the authorities declared was whisky. The real passion of Irish feeling on the subject was reserved for Lloyd George's 1909 Budget when the Irish National*ists'* votes were bought to allow the extra tax on whisky to go through by a promise of Home Rule for Ireland that was only *achieved years later, and after* a civil war.

But the Royal Commission's verdict in 1909 saved the patent still and the blending of malt and patent still whiskies so that Scotch whisky could go ahead to its present world predominance. And it really all started with the 1875 Act.

Gardening

Penstemons are good value

BY A. G. L. HELLYER

THE PENSTEMON, so it seems to me, is overdue for a comeback. In the early years of the *century it was among the most* popular of summer flowers and then, quite suddenly, it suffered a decline. Perhaps it was the antirrhinum, with its greater colour range and cheapness of production, that knocked it out. *But now seed raised plants have* increased so greatly in price that it can cost £10 to stock even quite a small garden, and that is an annual charge if one uses disposable plants such as antirrhinums and begonias.

Perennials

The penstemons are all perennial; but they are not all completely hardy, though they are likely to survive nine winters out of ten in most town gardens provided the position is sunny and the soil reasonably well drained.

In the country, where winters can be so much more severe, it can be a little more problematical, but penstemons are among the easiest of plants to raise from cuttings and a batch of them put in during August and over-wintered in a frame, sun room, glazed verandah or any other reasonably light and sheltered place, will ensure that young stock is available for *renewal if some of the old plants* do expire.

When the penstemon was at the height of its popularity, virtually all plants were raised in this way and hardy plant firms such as Forbes of Hawick offered dozens of named varieties. A few still survive and I occasionally come across plants in gardens that look like *Southgate Gem, Newbury Gem* or Middleton Gem, though I would *not* like to vouch for them.

I do not know of any nurseries offering these or the much larger flowered Castle Forbes, George Home or Countess of Haddington, though I expect they are to be found somewhere if someone is keen enough to search for them.

But, except for historical and sentimental reasons, it really does not matter greatly since penstemons are readily raised from seed and some exceedingly good seed strains still exist. Buy a packet from a good seedsman, sow the seed in a temperature of about 15°C (60°F) in *March or April* and you are sure to have some plants sufficiently good to be worthy of perpetuation by cuttings the following August.

There are also some good modern varieties that are still offered by nurseryman, notably, Evelyn, a very pretty pink, and Garnet, a *showy if slightly* crude magenta. Both these are above the average in hardiness and it needs a really severe winter to destroy them.

In one respect penstemons are rather like fuchsias. They make quite woody stems at the base and are also capable of making new growth from there, even if the softer top growth is killed by frost. To ensure that this does happen it is a good plan to cover the roots with a couple of inches of peat in November, so giving protection to the basal growth buds.

Hybrids

All the penstemons I have *been describing* are hybrids of slightly uncertain parentage, since the original crosses were made at a time when it was customary for plant breeders to regard their work as private and a valuable trade secret. Reference books and some nursery and seed catalogues list them under the names Penstemon hartwegii or P. *gentianoides*, the first the name of the scarlet-flowered Mexican species which was *certainly* one of the original parents, but others simply use the garden names, which is quite adequate.

The merit of these hybrids is that they flower all summer and even into the autumn if the weather is mild. For continuity of display they are therefore comparable with other subtropical bedding plants such as pelargoniums and begonias but with a considerably greater degree of hardiness.

The colour range is not large, from white and pale pink to scarlet, crimson and purple, but there are some attractive mixtures of these shades, many varieties have a white throat to the tubular flower which lights the colour up well, and I am at present growing an East German strain in which the throat is most attractively netted with colour *on white*.

But the penstemon story is by no means confined to these hybrids. There are a great many species, some unobtainable, some dingy weeds, but at least a dozen highly desirable *garden plants. They range in* stature from the inch-high Penstemon davidsonii which I once found peppering the ashy slopes of Crater Lake with its blood red flowers, to 4 feet P. barbatus with slender spires of *narrowly tubular scarlet flowers.* The former needs a sunny scree or tufa rock, the latter is a handsome and easily grown border plant which is nearly *completely* hardy.

So is Penstemon heterophyllus, a sprawling bushy plant with narrow leaves and tubular flowers, but it can be disappointing in colour. At its best it is a glorious sky blue, but more often it is a dingy mauve and sometimes a rather unhappy mixture of the two. Nurseries offer selected clones under such names as True Blue and Blue Gem, but the safest thing is to purchase this penstemon in *bloom, selecting* for the best colour, and subsequently keep*ing the stock going by means* of summer cuttings. It is moderately hardy and loves sun and good drainage.

Bushy plants

Penstemon menziesii and P. scouleri I find difficult to tell apart and they seem to be much confused in catalogues. Both are bushy little plants 9 to 12 inches high with lavender or lilac purple flowers in early summer, and there is also a white flowered form of P. scouleri. Both the coloured version and the white were given the RHS Award of Merit a few years ago, so perhaps they are the best ones to go for. They are certainly among the easiest to acquire and there is little difficulty in growing them in a sunny rock garden or on a terrace wall.

Fewer joining Communist Party

MORE than 1,400 people have left Britain's Communist Party since the end of 1973, says a document prepared by the *party's national executive for* the biennial congress in November. This reverses an increase of 1,100 new members reported at the last congress two years ago.

The document says there are also fewer people buying the Morning Star, the party's national daily newspaper. Present circulation is around 43,000, with party membership at about 30,000.

SWANSEA-CORK FERRY DELAYS

Passengers due to sail on the B and I Line passenger and car ferry Innisfallen between Swansea and Cork are warned that the *vessel will operate up to six hours* behind schedule over the week-end.

The delay is due to an engine fault, now corrected. However, tidal conditions have made it impossible to get on schedule before Monday.

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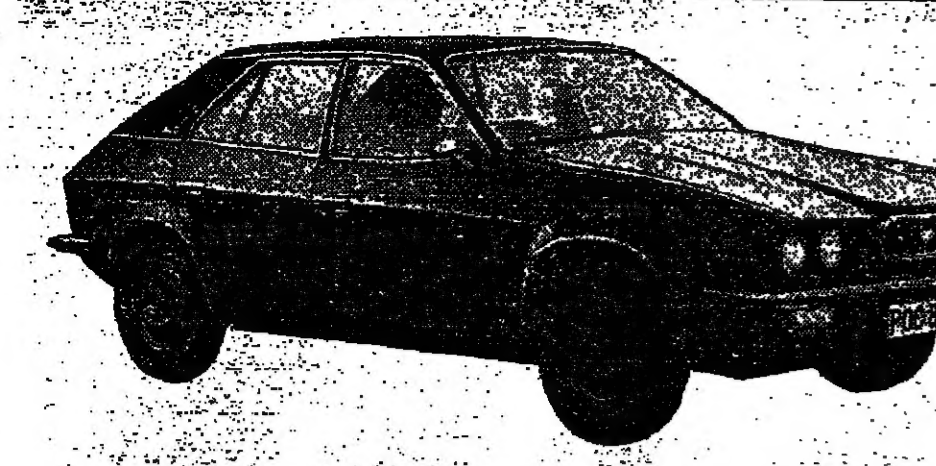
Motoring



A spacious Wolseley

BY JAMES ENSOR

GIVEN THE choice between a large cheap car and a small, expensive one, selling for the *same price*, I should instinctively opt for the latter. For me it's the Triumph Dolomite rather than the Ford Consul or if you like foreign cars the BMW 520 instead of the Toyota Crown.

It is not that I am not all too conscious that the prestige marques of the European motor industry are over-charging (relatively speaking) for their products, it is just that they seem to incorporate a degree of engineering refinement and attention to detail which one does not find in the cheaper products.

I was forced to reconsider the validity of this position, however, after driving the Wolseley 2200. At exactly £3,000 for the manual version, it is not exactly cheap, but despite the old-fashioned Wolseley grille grafted on the front, it is not a prestige marque either.

Essentially, it is British Leyland's answer to the Ford Granada Ghia; a large, cheap car, built in substantial volume but fitted out with a number of extra comforts and finishes to justify a higher price. Instead of buying the Ghia studio in Turin to give it a grandiose name, Leyland chose one of its dying marques.

In many respects the Wolseley bears many of the marks of the transatlantic design influences which to my mind have *persuaded both the American* companies in Europe and the Japanese to perpetrate some fairly tasteless designs. The vinyl roof, for instance, and the oversculpted dashboard are hardly things that one would have associated with the old Wolseley—or even the old BMC. The body shape, too, would not be to everyone's taste, though I give it high marks for individuality and for use of space.

And it is this point, really, which made me reconsider my attitude to the small and expensive against the big and cheap. *For the Wolseley is a big car* only inside. It can seat five in generous comfort and has an enormous luggage capacity. Its interior space is better yet its external size is shorter than any of its main European or Japanese rivals, from the Ford Granada and Toyota Crown to the Audi 100 and Volvo 244.

The use of front wheel drive and a transversely mounted six cylinder engine really pays off in the efficient utilisation of space. It also pays dividends in handling for the Wolseley will corner like a small sports car, if need be, quite making one forget its size and bulk. Of its rivals, perhaps only the Audi—also with front wheel drive—handles as well.

The ride, using the same interconnected hydragas system first used in the Allegro, is superlative over rough surfaces, though perhaps a little bouncy on smoother roads. Air or gas suspension seems to work better, the larger the car, and the Wolseley falls mid-way between the Mini and the Rolls-Royce in both size and ride. It can feel a bit sickening, but *it is basically very good.*

Power steering is fitted to the Wolseley as standard and I would imagine that it is essential with all that weight over the front wheels. I have never found power steering quite as precise as the real thing, and this one is no exception, though once one becomes accustomed to it, it works well enough. At least, it removes all effort in parking and makes the Wolseley an entirely suitable car for a woman.

The engine and gearbox are developed from the Maxi unit and are much the same as those fitted to the old 2200s. It is no good pretending that they match up to BMW or Alfa *Romeo standards: they do not* and the gearbox in particular is a bit stiff and notchy.

The engine, while not providing an enormous amount of performance considering its capacity, is at least economical and the Wolseley should return about 22 mpg in normal use.

It is certainly a comfortable car—and much more comfortable I must admit than many of the smaller, more prestigious cars which I would have preferred to it. The plush cloth seats can be adjusted for height and rake as well as position and should suit any driver between 5 ft. 2 ins. and 6 ft. 5 ins. The seats do recline right back to allow passengers to sleep on long journeys or to permit a roadside nap. The back seat pasengers have an enormous amount of room, both laterally and fore-and-aft and a good clear view over the driver's head rests.

Compared with other cars which can offer the same spaciousness — and that really means the Ford Granada, Volvo 244, Datsun Cedric (260 C), Toyota Crown and perhaps the Lancia Beta — the Wolseley offers excellent value. It is cheaper than any apart from the Datsun and Lancia (just *under £3,000 for the 1800 ES)* and it is more comfortable than most of them. It handles better than any apart from the Lancia, which is a much noisier, rougher car. In short, it is the best of the big cars and a serious alternative to the compact, expensive cars, for those who value space.

Golf

Oosterhuis let down by his putting

BY BEN WRIGHT

AKRON, OHIO, August 8.

AT MIDDAY in the glorious sunshine blessing the second round of the 57th USPGA Championship here over the monstrous South Course of the Firestone Country Club the lone British participant Peter Oosterhuis is already back in *the clubhouse with a two over* par round this morning of 72 to place alongside his first round of 74 for a total of six over par 146.

This total at the half way stage is likely to leave him at least eight strokes behind the leaders, but as far as one can foresee will enable him to make a forward move—if he has it in him—on the morrow.

Fruitful

If yesterday was one of shocks, with so many unknown and unlikely players fighting for the lead alongside the household names, this morning was an unlikely and fruitful one for one of those unknowns, Ed Dougherty, from Linwood in nearby *Pennsylvania.*

Dougherty, 69 yesterday, added a splendid level par score this morning — starting *in the early morning mist that* was soon burned away by the delightful sunshine—to place a 70 alongside his splendid opening round for a one under par total of 139 that makes him at this early stage "the leader in the clubhouse," as they say.

The news of the other unknown first day leaders is much more predictable, in that they are mostly going backwards as expected, although conditions could hardly be more favourable for low scoring.

Mark Hayes, the leader overnight at 67, has now fallen back from three to one under par with seven holes to play. Bob Benson, 68 overnight, has taken 77 to-day for a total of 145, while Larry Hinson—hardly unknown but long out of form — *has moved back from two to one* under par after scoring 68 yesterday, and he has five holes to play.

The one comparatively unknown youngster among the leaders to hold up so far to-day is Bob Wynn, 69 yesterday, who is now two under par after three holes to-day and the outright leader at this minute, but *with all the work to do.*

Al Geiberger, the 1966 champion, has just come in with a second level par round of 70 for a total of 140 to join another name unfamiliar to me, Maurice Ver Brugge, in *joint second place behind Dougherty.*

But back to Oosterhuis, with whom we walked all morning as the sun and temperature rose steadily but never oppressively.

The diffident Englishman tends to under-play *his hand* when describing his round, and as we walked he continually chided himself loudly, addressing *his* remarks to us *for standing* there "like a big slob and slashing at it."

In brutal truth Oosterhuis did really start very poorly. He took three putts on the first green to drop a stroke, blocked his drive into the rough at the second, and hit a sloppy second shot under a tree in such a difficult position that he almost missed the next.

A six went on the card here against a par of 5, and Oosterhuis appeared to be in trouble again *when his drive soared* away into the trees to the right of the third hole, played downhill, with a second shot hit over a *pond. But Oosterhuis con*jured a nine iron shot somehow through the branches and over the water a yard from the hole for a birdie, and almost immediately threw away that momentary come-back with three more putts on the fourth green. On this occasion Oosterhuis leaned over the line of a partner's putt to tap in a 15-inch putt and missed, paying, as he said "the price of my stupidity."

Thereafter Oosterhuis steadied to his task in the workmanlike manner one expects of him and admires. Only a bad second shot at the eighth *hole forced him to drop another* stroke to par for the whole of the round, and out in 38, he came home in one under par 34 which could have been so much better had his putting been inspired.

It looked like it might be when a 30 ft. putt cantered uphill into the hole at the 10th for the second and last birdie. *But Oosterhuis missed from 12,* 18, and 20 feet on the next three greens when good shots into them had set up birdie opportunities in the easiest area of the course.

Our man hit a sloppy second *shot at the 410 yards 14th hole* into a bunker, came out a trifle too strong, but got in a putt of nine fee to maintain his enthusiasm.

The long 16th hole, 625 yards downhill that had cost him seven shots yesterday almost yielded a birdie to-day. Oosterhuis hooked his drive into young trees, hacked out his second, and was left with a fearsome shot over the pond to the green with a long iron.

Almost at the top of his back *swing the breeze strengthened* momentarily in his face, and in an agony of suspense Oosterhuis urged *his ball loudly over the water, which the ball carried by* no more than a yard to set up a birdie putt from 15 feet.

But this was not Oosterhuis's *day, and in fact he had to work* hard for two par fours to finish, getting up and down from in *front of the 17th green in two shots, and playing another great* three iron shot from a bunker to the right of the fairway to the green at the 465 yards 18th hole, one of many monster par fours on this incredibly difficult par 70 golf course measuring 7,180 yards.

A monster

In fact, apart from the 18th, the par four 4th, 6th and 9th holes all measure exactly the same distance of 465 yards, the 13th is only 5 yards shorter, and the 3rd and 8th are both 450 yards long. Only one of the par threes, the 180 yards 12th, *measures less than 225 yards.* Not for nothing is this course known as "the monster."

At this moment the lead is *shared at one under par by no* fewer than seven players, two whom, Billy Casper and veteran Fred Wampler, have yet to start their second rounds. The other five are Hayes, Hinson, Wynn, Dougherty and the inevitable Jack Nicklaus, who has presently just three holes of his second round to play.

Bridge

Homeric noddings

BY E. P. C. COTTER

LET ME remind you that the Evening Standard Charity Bridge Congress is being held at the Europa and Mount Royal Hotels from Friday August 22 to Monday August 25. The Congress opens with a Mixed Pairs over one session, and the main event, the Evening Standard Pairs Salver is over three sessions. There is also the Lutomer Wines Team Championship, and there are consolation events for those who are eliminated in the qualifying rounds. The usual fine prizes of holidays abroad are offered, and there are prizes reserved for those outside the expert class. For details and entry forms apply to Bridge, 7, Stratford Place, London W1A 4YU.

To-day's hands were both played by internationals, and show what can happen even at *the highest level when careless*ness or lazy thinking rear their ugly heads. Here is what occurred a few days ago:

	N.	
	♠ A J 6 4	
	♡ J 10 7 6	
	♢ A K 7	
	♣ 8 3	
W.		E.
♠ 9 3 2		♠ K 10 8
♡ A 9 5 4		♡ 8 3 2
♢ 8		♢ Q J 10 5 2
♣ A Q 9 6 2		♣ J 5
	S.	
	♠ Q 7 5	
	♡ K Q	
	♢ 9 6 4 3	
	♣ K 10 7 4	

Both sides were vulnerable, but North-South had a part score of 60, when North dealt and bid one spade. South replied with one no trump, and all passed. West led the six of clubs to the Knave and King, and South rightly cashed Queen and King of hearts, West holding up his Ace.

If South now enters dummy with a diamond and leads the Knave of hearts, nothing can prevent him from making seven tricks, but he thought it could do no harm to try for overtricks by finessing spades. So he led the Queen and lost to the King. East returned a club which allowed West to take four tricks in the suit, and dummy had to find three safe discards, a task beyond his powers. *Dummy was, in fact, squeezed!* If he threw a diamond and two spades, West would lead a spade and establish the setting trick in that suit. A heart discard would be equally fatal.

Here a World Champion could not see beyond his nose:

	N.	
	♠ A 10 9 6	
	♡ J 10 8 7 5	
	♢ 8 3	
	♣ Q 7	
W.		E.
♠ J 7 3		♠ Q 8 4 2
♡ 9 4 3		♡ Q 6 2
♢ K 5		♢ Q 6 4
♣ 10 8 6 5 3		♣ K 9 2
	S.	
	♠ K 5	
	♡ A K	
	♢ A J 10 9 7 2	
	♣ A J 4	

With North-South vulnerable, South dealt and bid two diamonds and after a two heart response from his partner played in three no trumps. West led the club five, dummy's Queen was put up, but East covered, and was allowed to win. Winning the club return, the declarer cashed Ace, King of hearts in the hope of dropping the Queen, crossed to dummy's Ace of spades, and finessed the diamond eight. Instead of leading another club, West led the heart nine to his partner's Queen. This forced South to part with a diamond, and East, reading South's distribution accurately, sent back a spade, and South had to go one down.

The declarer could not afford the extra chance in hearts—failure to drop the Queen, as he found to his cost, is ruinous, *for a fifth trick has been set* up for the defence.

The correct play is to win the first club, enter dummy with a spade, and finesse the diamond eight. This is an attack on West's entry, not an attempt to win five tricks in the suit. If a club comes back, he ducks one round, wins the next club, and sets up diamonds by playing Ace and Knave. This method is not a certainty, but there is nothing better.

YACHTING BY ALEC BEILBY

Frantic flurry on eve of Fastnet

COWES, August 8.

THE EVE of the biennial Fastnet Race at Cowes has a special atmosphere about it as the crews of almost 300 yachts who will sail the classic 605-mile course prepare for the race to the almost legendary rock to the south-west of Ireland. Some of the Irish say it has a lighthouse on it built to resemble the badge of their cruising association.

While Cowes High Street and the surrounding yacht harbours were like Oxford Street on the last Saturday before Christmas, it was a sadly depleted fleet that raced for the unique Rocking Chair Challenge Trophy in the Solent.

Amid the frantic activity ashore came news of yet another change in the official Admiral's Cup scores with which the 57 contesting yachts will go to the line for the final race of the series, and as a result the British lead over the Americans has *widened by 12 points.*

It must be admitted that the weather has played some cruel tricks this week. The pitfalls, *the problems and* the possible solutions to them are all lucidly illustrated in a brochure published before the party started by Qantas, who are sponsors of the Australian team.

The British team are ignoring the jibes, but, as one of them said to-day, "it's a little like being accused of rudeness because one is seen to enjoy one's birthday party." It is, after all, the 50th anniversary of the Royal Ocean Racing Club.

No doubt, as the fleet leaves the Solent to-morrow morning, the niggling will disappear as the crews *head for the channel* between Land's End and the Scillies, across the Western Approaches to the Irish coast and then *turn back for Plymouth,* this time passing outside the Scilly Isles.

A protest was lodged by the *New Zealanders aboard Gerontius* against the German yacht Rubin following a right of way rule infringement during the *second inshore* race on Wednesday. The international jury upheld the protest, disqualifying the German yacht.

Until then, the Germans, current holders of the Admiral's Cup, had been placed second to Britain but the loss of Rubin's *18 points,* and an *additional point* for each yacht below her, left them in third place at the start of the Fastnet race.

No one is ever very happy when a yacht loses through default but the problems of the Germans have certainly helped the British.

Meanwhile, murmers of discontent are drifting around Cowes, particularly *from the Australian* camp. Ted Kaufman, whose yacht Mercedes IV was disqualified after an early start in the first inshore race, vociferously complained that the inshore courses, sailed this year in very light wind and strong tides, were a travesty of yacht-racing and that, rather than sail long races from one end of the Solent to the other, the inshore races should be sailed over shorter triangular courses in the centre of the Solent.

Kaufman, having spent about £15,000 to come to Britain, says he will not be back. He does not think it likely that other teams from distant countries will bother, either, but the New *Zealanders and the Americans,* who are doing better than the Australians, seem less unhappy.

It is perhaps worth noting that when the Australians won the Admiral's Cup in 1967, with Kaufman aboard Mercedes III, the praise for the series as a whole was as loud as the complaints this year and reverberated from Plymouth to Sydney where Australian yachtsmen soon organised their own version of *the series, the Southern Cross* Cup.

Tidal tactics are crucial during the first stage of the race to *Land's End,* particularly *if* the wind is westerly. Tacking has to be planned to avoid contrary tides which run strongest off the *headland. A fair tide carried past* Portland Bill may well mean a contrary tide 55 miles on at Start Point.

Once into the southern *Irish* Sea, the tides are weaker and navigators have to play the wind during the 170-mile haul to the Fastnet, remembering the advice of Captain John Illingworth, a founder of ocean racing, who said that the Fastnet race is seldom won by the boat that keeps east of the rhumb-line on this leg.

At present the weather pattern is easterly and the forecasters are predicting light winds, but they said the same thing in 1961 when crews recorded winds of 60 knots as they rounded Land's End and caravans were blown off the Cornish cliffs. Whatever the weather, it will be an arduous struggle.

After first three races (Fastnet Race counts for triple points):

1, Great Britain 542; 2, U.S. 495; 3, Germany 491; 4, New Zealand 444; 5, Ireland 422; 6 (equal) Switzerland and Australia 403.

CHESS

BY LEONARD BARDEN

THE LONDON Chess Fortnight (August 17 to 28) at the West Centre Hotel, Lillie Road, Fulham, promises to be a most interesting mix of events designed both for the expert and the beginner. The main feature is a grandmaster tournament in which half-a-dozen of our best young players make another attempt to qualify for the highest chess title which has proved so elusive to British players in recent years.

For recognition by the World Chess Federation (FIDE) as an event qualifying for grandmaster titles, a tournament has to include at least three of the 80-odd established grandmasters. London will have four — the rising young Hungarians Adorjan and Sax, Holland's No. 1 Jan Timman, and the Icelander Sigurjonsson, who surprisingly became a grandmaster at Hastings last January.

Ranged against this formidable quartet are the junior world champion, Tony Miles, and the junior European champion, John Nunn, who are, at age 20, already among the world's youngest international masters and who will be hoping to secure the first of the two required grandmaster norms. The other British players, Basman, Horner, Pritchett and Webb, all have their sights on IM titles or norms.

The cost and administrative difficulties of running a major chess event in a major city form a great deterrent, and New York, Paris, Rome, and Stockholm haven't managed a grandmaster tournament between them in the past dozen years.

The London event has been made possible by a donation from the John Lewis Partnership as part of the firm's policy of promoting cultural events in the capital, and by a grant from the Slater Foundation to the cost of training by the grandmasters for our young players. It is a pity that the GLC and the London Tourist Board don't take an interest; the host city for such an event is publicised in chess journals and newspaper columns in many countries.

Spectators can play casual chess, take part in speed tournaments or compete against the masters in simultaneous games. There will also be nationally rated five-day and three-day opens for which anyone can enter.

The London grandmaster tournament has been planned with a professional eye; the organisers have plumped for 11 players rather than the usual ten so that an expert will always be free for the public events and to maximise the chance of a British player qualifying for a norm. A brochure with full details of all the events is available from London Chess Fortnight, 3 Elmside, 55 Stoneyfields Lane, Edgware, Middlesex, or telephone 01-959 1758 or 01-886 1148.

Who will win? I hope, Miles or Nunn; but I expect it to be the tough Hungarian Gyula Sax who recently took first prize at Zagreb ahead of two Russian grandmasters. Sax has a track record of fast raids against opposing kings which stay too long in the centre; see, for instance, the cavalry charge with the knights at the end of this week's game.

White: G. Sax. Black: D. Minic. Zagreb, 1975 (Sicilian Defence).

The opening moves were 1 P-K4, P-QB4; 2 N-KB3, P-Q3; 3 P-Q4; PxP; 4 NxP, N-KB3; 5 N-QB3, P-QR3; 6 P-B4, Q-B2; 7 B-Q3, P-KN3; 8 O-O, B-N2; 9 N-B3, QN-Q2; 10 Q-K1, N-B4?

11 P-K5, PxP; 12 PxP, KN-Q2; 13 B-KB4, N-K3.

Here 13...NxB; 14 PxN would only help White by opening the QB file for a white rook.

14 B-N3, N-N3; 15 P-QR4!

Driving the knight back, so that Black's Q-side forces get in a tangle.

15 . . . B-Q2; 16 P-R5, N-QB1; 17 N-K4, B-R3?

Trying to stop N-KN5, but this is refuted by White's next. Castling was the last chance.

18 N-B2! N-R2; 19 N-N4, B-KB1; 20 N-N5! NxN; 21 P-K6, Q-B4 ch; 22 B-B2, Q-Q3; 23 PxB ch, QxP?

Black misses a family check; White could also win quickly after 23...KxP; 24 R-Q1.

24 N-B6 ch, Resigns.

POSITION No. 74

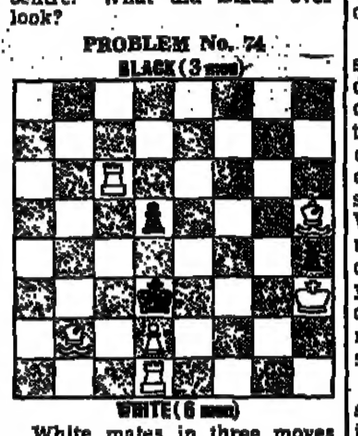
BLACK (11men)

WHITE (10men)

Evans v. Pilnik, Lone Pine 1975. Black (to move) has sacrificed a bishop for attack. Now he played 1...B-N5, planning 2 B-K2, Q-Q2 and expecting to trap the white king in the centre. What did Black overlook?

PROBLEM No. 74

BLACK (3 men)



WHITE (6 men)

White mates in three moves, against any defence (by S. C. Dutt, The Hindu, 1954).

Solutions Page 3

Property and housing

Two per cent battle

BY JOE RENNISON

THE GRUMBLING disagreement between the mortgage and insurance brokers and the building societies seems to be coming to the surface. It is basically over the question of who should get the commission from the life assurance company for fixing up an endowment mortgage. The brokers have been used to taking this commission which is 2 per cent. for every £100 insured. On a mortgage of £10,000 this would mean a commission of £200.

Reg Francis, of Charles Stapleton and Co., brokers who operate from Leatherhead, Surrey, has written to me pointing out what he thinks are the iniquities in the present way the building societies are operating. And following my comments last week on the possibilities of more defaulting on mortgage repayments he postulates that the present practice of the building societies could lead to an increase in the number of defaulters.

Mr. Francis agrees that there is likely to be an increase in the number of defaulters and carries on as follows: "... there is another reason why this is likely to happen. For some considerable time certain building societies have attempted to share the commission earned by intermediaries on endowment mortgage schemes. As brokers we could normally cope with this situation and, up until the last month or so, the splitting of the commission has been only the odd isolated case.

"Now unfortunately the pressure is really on with specific directives coming out of most of the major building societies to their managers to obtain the commission at all costs. In some cases not just half the commission, but all the commission. Whether the broker should give up his commission is a matter of opinion. What I would like you to consider is the anti-consumer potential behind this recent activity from the societies."

Mr. Francis claims that the societies now have a vested interest in the type of borrower they will lend to. They are, he claims, pushing through more endowment mortgages than they have ever done before and that they are seeking wherever possible the full endowment with profits contracts and they are not differentiating on their incomes ratio between the conventional borrower and the endowment type.

He claims that we could see the position where certain building society managers will be turning down the normal repayment application in favour of the commission-paying endowment deals. He ends: "Should this practice continue there certainly will be many more people in trouble with their mortgage repayments and more than a few of the societies' executives will find it difficult to deny, when challenged by their clients, that they, the societies, had a vested interest in them taking out a package on borrowing which they could ill afford."

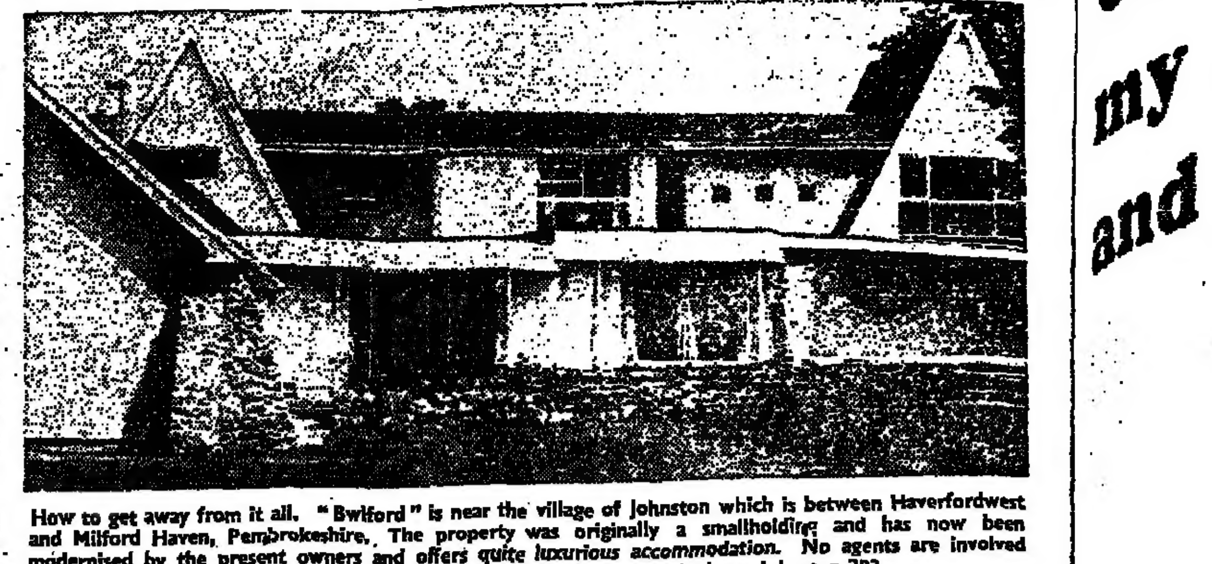
Mr. Francis does not deny the vested interest of the brokers but nevertheless his are harsh words to be said about institutions which are regarded by most of the population with more reverence than the church.

The societies, not unexpectedly, think that his comments are a lot of nonsense. But they do not deny that they are looking for as much commission as they can get.

As one leading light in the building society movement explained, the societies are looking for all the cash they can get at the moment and for all the savings that can possibly be made. To claim this kind of commission is an obvious way of helping out.

What is more he had some unkind things to say about the brokers. He reckoned that they do very little for the money they earn. "They have had it too easy for too long and . . . we are fed up with supplying the jam to other people considering it is our money that is being loaned out." He pointed out that it is the broker who pushes for more endowment mortgages so that if there is overselling of them it is their, the brokers', fault.

It is unlikely, he points out, that the societies would be tempted to lend more than a quarter or fifth of funds available on endowments. The societies see no return on their money on endowment mortgages until the term is up. If they loaned too much in this way they could run into a capital flow problem.



How to get away from it all. "Bwlford" is near the village of Johnston which is between Haverfordwest and Milford Haven, Pembrokeshire. The property was originally a smallholding and has now been modernised by the present owners and offers quite luxurious accommodation. No agents are involved and all inquiries should be made to the owners, telephone Johnston 283.

Foreign gloom

ROGERS CHAPMAN International, the agents who specialise in overseas property, have just produced their latest quarterly report on the dollar premium moves and the state of the market generally. And pretty gloomy reading it makes too.

The premium in the latest quarter reached a staggering 91.25 per cent. This is the amount actually payable and not the even higher figure which is quoted but which is calculated on the basis of the pound equalling the official rate of \$2.60. When people are asked to pay almost double the asking price of a home overseas it is not surprising that little interest is being shown.

Not only has the premium remained high in the second quarter of the year but—as cannot have gone unnoticed—the pound has not been doing very well either. The firm points out that the continuing fall in exchange rates aggravates the problems for the overseas buyer with in broad terms the dollar falling about 7.6 per cent. in the quarter (and much more since) and the two other currencies of particular interest to the overseas market, the French franc and the peseta, falling 7.8 per cent. and 11.5 per cent. respectively.

On the state of the market they report that demand remained thin in the quarter and the interest that arose from prospective emigrants after the Budget was not maintained. Surprisingly what interest there was generated was for higher priced properties despite the high rate of the dollar premium.

The interest in Spain has fallen off considerably and this is particularly true of the Costa del Sol. Down market properties in particular are proving very hard to sell and outside of new developments there is a very wide choice of resales available. But even after drastic dropping of prices owners are finding it difficult to find buyers.

Rents and rights

A READER who lives in a privately rented flat has asked me what he should do about a demand for a rent increase. This problem is particularly relevant at the moment after the welter of legislation on the rented sector we have seen in the last few years. This is not a case of hardship about the inability to pay the rent nor a question of harassment by the landlords. The reader could well afford to pay the increase, is protected under the various rent acts from eviction and lives in a typical middle-class mansion block near the centre of London.

It is quite simply a request from the landlords that the rent should go up by £200 a year and that the rent should be registered with the rent officer as a "fair rent," within the meaning of the Acts.

There have been several attempts, for the most part effective, by recent governments to control rents generally. That the effects have been successful in a narrow social sense but disastrous in a wider housing sense remain a bone of contention. There can be no doubt that the effect has been the virtual bankruptcy of some local authorities and the decline—with severe social side effects—of the private landlord.

In most sectors of rented housing the rents are too low. This has happened in both public and private sectors for political reasons—in the public sector to keep the voters happy, in the private sector as part of a policy of bringing all such accommodation into "social ownership" by virtually starving the private landlord.

But perhaps that is beside the point as the reader's particular question is concerned. The law is the law and should be obeyed.

For the greatest part of the private rented sector the question seems to have been resolved by the Housing Rents and Subsidies Act which received Royal Assent in late April this year.

For those who might be in a similar situation to the reader who has been asked for a rent rise, let me quote the precis of the Act's main provisions as far as the private sector is concerned, prepared by the Department of the Environment the day the Act was passed.

"The Act ends the current residential rent freeze on March 11, 1975, and simultaneously introduces a permanent system for the phasing of rent increases under regulated tenancies. So that when the freeze ends tenants under such tenancies will still be protected against sudden steep increases in rent.

"In general the rent payable under a regulated tenancy cannot lawfully be increased unless the rent officer registers a fair rent higher than the previous rent. Any increase which results from such a registration and which exceeds 40p a week must be phased—in two annual stages where the increase is between 40p and 80p a week, and in three where it exceeds 80p a week. Increases attributable to rises in the costs of providing services, where these are provided for the tenant, are excluded from phasing."

These services must, however, be assessed by independent outsiders.

Now there is no reason why a tenant should not come to an arrangement with his landlord if, for instance, it means that he will be given a longer lease. This, of course, strengthens the tenant's position even more, although landlords to-day see little point in giving or extending leases — it is simply not worth their while.

But according to the Act, the landlord cannot demand from regulated tenants more than the amounts listed above. In the case in question every tenant in the block received the same demand. They are all regulated tenants who were subject to leases but those leases have now lapsed. It seems to be a case of the landlord simply trying it on. There is always someone who will automatically pay up in fear of losing his home.

In all cases of this kind it is essential to consult the local rent officer. He should know the rules and is meant to be impartial.

How to spend it by Doina Thomas

One mouse, my house, and me

Apodemus silvaticus, or that field mouse . . . .

WHEN I was quite little I kept a pair of white mice in a converted orange box with a sliding glass front in the outhouse where wet wellies and macs were also kept. The smell was atrocious and the reproduction rate horrendous and that eventually compelled me to sell 24 white mice to the local pet shop (at a profit) much to the disgust of my friends.

As a consequence I have always retained a vague affection for mice, speculating idly as I tidy up behind the one that inhabits my house whether or not it could be house-trained. For a year or so that mouse and I have got on quite well, it didn't seem to bring in any friends, did not like cheese, but was partial to butter and once, having eaten some peppery poppodoms stayed away for a month, presumably in a certain degree of discomfort.

However, this amiable state of coexistence is rapidly drawing to a close, at least as far as I am concerned. The beginning of the end started last month when the mouse ate one of the peaches I had been reserving for the conclusion of an elegant meal in the garden (sliced peaches in red wine, slightly sugared, served chilled).

It had compounded this felony by tunnelling a French loaf completely hollow, leaving only a rock hard crust. "Mice prefer fruit and cereals," says the man from Rentokil quite cheerfully, "very few like cheese." And Mr. Egleton of Verminex, this year's president of the British Pest Control Association, adds "mice can live on one tenth of an ounce of food a day." In which case I don't quite understand why the mouse had to eat half my peach—but it had been a very hot day.

The cold war between mouse and me has escalated rapidly this past week to the extent that on entering the kitchen I now yell "gerrahtoffit," an injunction which the mouse ponders briefly before jumping down from the work top and disappearing behind the boiler. "It sounds like a field mouse which is bigger and bolder than the house mouse," volunteers the man from Rentokil "they have bigger ears, eyes and a longer tail as well." And Mr. Egleton adds that they can slip through a hole only half an inch in diameter.

The double washing up involved in keeping a mouse has become extremely tiresome as well. Since one never knows where a mouse has been either inside or outside the house almost every piece of crockery has to be washed before use as well as after. "Mice are quite likely to have infected feet and can transmit disease through their urine and excreta," warns Mr. Egleton.

Trying to find places the mouse could not reach to store things like fruit and bread without putting them into the fridge (my cupboards are full of crockery, pans or tins) is very taxing on the ingenuity. At first I used the top of the vegetable trolley or the wine rack. Then the man from Rentokil laughed that I was only providing the mouse with a climbing frame with a treat on top. I tried the top of my Moulinex oven, which is standing on a shelf at shoulder height, but the mouse climbed up the electricity lead—I saw it.

Both Mr. Egleton and the man from Rentokil quite admire the climbing abilities of mice, only completely smooth surfaces will defeat mice. Central heating or other service pipes they just use like motorways to get around buildings.

"The increasing density of people in dwelling places has helped the spread of mice also," says Mr. Egleton, "and people are dirtier in their eating habits."

Not that mice themselves travel very far, they can spend their entire lives living within a radius of 10 feet of their hole. That must be one, admittedly minor, reason why my mouse confines himself to my very small kitchen. The major reason is obviously the food. The mouse has recently taken to cucumber as well as peaches and has got into the habit of knocking things over in his haste to get to food. In the middle of the night he makes it sound as though there is a particularly clumsy burglar in the kitchen.

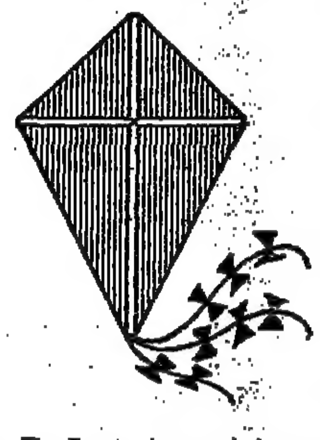
But the real end has now begun for my mouse. He has taken to visiting with a friend. "Mice are sexually mature at 8-10 weeks old and produce 7 or 8 litters a year, says the man from Rentokil, "from one pair of mice and their young, barring all accidents, you could have a colony of 2,000 in a year." So that's it, the end, they have got to go.

HOW TO GET RID OF MICE: all you can probably do, or get done, is to get rid of them temporarily, after which be watchful. Cats can control the numbers of mice and also prevent mice coming to a previously clear place because the migratory mice are the young, inexperienced, easily scared ones.

Poisons can be bought from registered pharmacists and they are mostly anticoagulants such as Warfarin, Chlorophacinone, Diphacinone, Coumatetralyl, which come in a wide variety of brand names. Boots stocks Alphakil only. It is not a good idea to use these if you have small children or pets about the place.

That brings us to traps and suitable bait—one expert suggested a sultana, butter is a good idea, but cheese is not very popular. Most hardware stores will sell some form of trap. If all that fails, there are a great many commercial exterminators or your local council is likely to be of help.

Go fly a kite



KITES are almost as good as toy trains for involving fathers with their children. But what one often forgets is that kite flying is not dead easy though the frustrations of getting a kite launched vanish as rapidly as it ascends.

Experts say that the kite flying season is really only from May to July but I expect children still can have fun in spite of that. Kites can be relatively simple to make though the making does demand a tolerant mother and a large amount of floor space. One good basic book of advice on kite making is "How to make and fly kites," by Eve Barwell and Conrad Bailey (Studio Vista, £1.05). A more colourful but slightly more difficult book has been published by Collins in the Lions make it easy series. It is simply called Kites (75p). Both books are generally available and describe how to make a wide variety of kite shapes.

For those who feel they may not have the patience to do this, the shop kites are fortunately not too expensive. Hamleys of Regent Street has a splendid range from £6.55 for the Master Kite (60p p & p) to 35p for the Sky Flyer (15p p & p) and £1.20 (40p p & p) for a Schmetterling (German for butterfly) which is extremely pretty.

The amazing Zammo kite which was chosen for the "Kite Flyer of the Year" competition by the British Standards Institute last year (the BSI sign of approval is a kitemark) and won this year's Northamptonshire Height Flying championship, is still only 85p plus 25p p & p.

The makers claim proudly that it has won almost every competition in which it has taken part, not to mention the fact that it flew untended for eight days when staked to the ground at Windsor; or that it used seven miles of string gaining height over the Sussex Downs (with kind permission of the Air Ministry, it is not recommended that private individuals try this trick, they might disturb aircraft).

The Zammo is vaguely lozenge shaped, made of red and yellow polythene and new stock will be in the Bagatelle shops in Henley, Reading, Kensington and Wimbledon next week or by post from 7 Gun Street, Reading.

Kites were, of course, first made and flown by the Chinese and Collett's Chinese Bookshop at 40 Gt. Russell Street, London WC1, stocks 15-20 different sorts of paper kites from mainland China. Collapsible kites cost about £1.50 (plus 20p p and p) and the non collapsible about £1.

The kites are highly stylised birds and insects, dragon flies, eagles, a phoenix, ravens, centipedes and grasshoppers, the list is almost endless. The shop also stocks some silk kites for the wealthier skilled enthusiast for about £5.

If the children get to be really expert you could always suggest that their schools enter them for next year's BSI kite flying competition—he who gets his kite highest in ten minutes, wins. About 10,000 entrants competed last year, schools interested should write to BSI at Maylands Avenue, Hemel Hempstead, Herts., for details.

Remember, though, you are not allowed to fly a kite more than 200 feet high, it could become a danger to aircraft, nor within four miles of an airport. And it is commonsense not to go near electricity or telephone lines.

● WE ARE all being urged to save energy these days and bachelor colleague Arthur Bennett (of our technical pages) has had the temerity to suggest that women are very wasteful of energy when cooking. Here are some of his suggestions for saving energy in the kitchen.

It takes an awful lot of energy to heat water, so leave a pan of water over the pilot light of a gas cooker in the morning, it will be warm by evening. If putting something in a bain marie in the oven, use warm water, it should reduce the cooking time slightly.

Keep the flame underneath the pan when using a gas stove, licking round the sides only heats the handle; and make sure the oven really needs pre-heating before doing so.

Use plate racks for warming things other than plates, whether tins or saucepans, not recommended for the clumsy.

Use the residual heat of an electric cooker, put a pan of water (if you need it) on that cooling radiant ring. Use a just-boiled electric kettle to dry a damp tea towel.

Never leave the fridge door open longer than strictly necessary and never put warm or hot food in it, which is dangerous anyway. Always take food out well in advance so you don't waste energy thawing it.

Use plates as saucepan lids; it warms the plates and means you do not have to light grill, oven or special plate warmer. Use the correct gauge (weight of bottom) saucepan for your cooker; pans for electric stoves are heavier and so not suitable for gas.

Don't run dishes under hot tap to wash—you could use a gallon of hot water to wash one cup that way.

Only use your washing machine or dishwasher when it is filled to capacity, unless you have a water economy button.

Handy bag

NEXT TIME you walk down a shopping street, look to see just how many women are carrying more than one bag. It is a safe bet that you will find most have at least two, the handbag and some form of capacious carryall.

Michael England has just produced one solution to this two bag problem, a neat folding tote bag. When folded it looks reasonably smart enough to double as a summer handbag, measuring 14 inches by 7½ inches, and with a zip top. Opened up the bag becomes an additional 13½ inches deep with the zip section forming a side pocket.

Made in navy blue, brown or fawn nylon, the bag costs £1.95, including p. and p., from Michael England, 1, Manchester Road, Wilmslow, Cheshire. There is also a folding suitcaes on the same principle.

Espresso casalinga

THIS UNEXPECTEDLY hot summer has made me very nostalgic for that good, strong, espresso coffee that one associates with traditionally hot countries. I have never had much success making it at home but the Algerian Coffee Stores now have a machine, new to me, which looks virtually fool-proof. It is called the Vesuviana and consists of a pressurised "boiler" in cast aluminium, a stainless steel filter in the coffee holder which is attached to the boiler, and an aluminium coffee jug with lid. You put a generous amount of water in the boiler, fill the coffee holder with finely ground coffee, place it in position, close the boiler and put it on the gas. Steam is then forced through the coffee grounds. It comes in three sizes, a six cup at £7.46, a nine cup at £8.64, and a 12 cup at £10.73, the cups are demi-tasse and all prices are approxmiate.

The Algerian Coffee Stores, which also stocks the traditional Moka Express (five sizes) and Jolly (three sizes) espresso making machines, will post the Vesuviana to you. But in these days of sinking pounds and rising postal charges, ring or write first to confirm prices.

The Algerian Coffee Stores, Old Compton Street, London W1, 01-437 2480.

Selling crafts

Freddie Mansfield

A WIDE range of some of the best work by craftsmen in Britain to-day can be seen until August 23 on the mezzanine floor of the Design Centre, London. This has been taken over by the British Crafts Centre which is managing a display sponsored by the Crafts Advisory Committee. It has put on a fine display of pottery, jewellery and textiles, some handmade furniture and woodwork. But this time, contrary to normal Design Centre exhibition practice, the items on display are also on sale. On the whole the show is rather dominated by pottery and jewellery but there are also some very nice handknitted clothes on display. Kaffe Fassett is showing a hand-knitted "kimono-length" coat in an intricate geometric pattern that is very subtly coloured but is asking £126 for it. He also designs clothes for Beatrice Bellini's Women's Home Industries in West Halkin Street. The pottery, almost inevitably it seems, is largely rustic in style with one or two bright exceptions. Jacqueline Poncelet shows some eggshell-thin porcelain bowls, for example. Among the equally inevitable joke teapots there is one that looks perfectly ordinary at first sight, a plain white pot, until you spot the legs supporting it, legs dressed in heavy shoes and thick socks (£17.50). The one I liked best was Stuart Taylor's aeroplane, a monoplane whose wings and pilot make the lid and whose nose cone provides the spout. The price is not so funny though, £58.35. The jewellery on display is very encouraging for some of the acrylic, or resin, and fine metal work is very wearable; Gunilla Treen and David Watkins show some of the nicest of this genre. More conventional jewellery at very modest prices has been made by Chris and Pam Burrows, their prices for gold rings set with semi-precious stones (garnets, moonstone, amethysts) range from £17-£30. The display changes in detail constantly as items are sold and new artists' work is put on display. But if you see the red spot on an item that means sold, don't despair, craftsmen have to live and many items can be commissioned from the individual craftsmen. The British Crafts Centre will put you in touch.

ONE of the most striking items at the crafts gallery and shop in the Design Centre, was the hand painted silk shawl by Harriet Cameron, shown in the photograph above. The background is a creamy white and the delicate flower and birds design is hand-stencilled. The colours are very soft, a touch faded but very far from being wishy washy English spinster pastels. The shawl also comes in various colours with similar designs and costs about £21 (dry clean only).

Harriet Cameron has been hand painting shawls and scarves for the past two or three years; in August, 1973, she received a grant from the Crafts Advisory Committee to help her continue. She has also been commissioned by clients such as Liberty's, Belleville Sassoon, and Jean Allen but she will also work for private clients.

Her work can be seen on the mezzanine floor of the Design Centre until August 23, when the Crafts gallery and shop will close. For private commissions contact her at 3 Fielding Road, London, W.14.

LUCIA VAN DER POST is on holiday—back next week.

Light selection

HABITAT has just added a new selection of lamps—pendant, standard and table—and shades to its already pretty extensive selection. But these new additions are somewhat softer and warmer than the by now traditional clinical Habitat lamp.

One idea for a base has been plagiarised from the electricity supply industry in that Habitat has adopted the insulator shape but produced it in four colours and three sizes. The colours are pale cream, earth brown, near turquoise and dark blue, the prices range from £10.25 for the 12 inch high and 8½ inch diameter base through £7.25 for one 9 inches high and 5 inches across, to £3.25 for the smallest which is only 5½ inches high and 4½ inches in diameter. These will be in Habitat shops in two weeks' time.

The traditional stoneware bottle has also been borrowed to make a lamp base with a buff coloured body and darker brown shoulders. It comes ready fitted with lampholder and two metres (over six feet) of flex, 5½ inches across and 10 inches high it costs £3.25.

There are also a range of new "Chinese" shades to go with these bases, made of embossed card they come in three sizes and 11 colours, prices range from £2.60 for a 20-inch diameter one, downwards. The Habitat natural hessian shade also comes in two sizes, 12 inches and 16 inches in diameter, for £2.25 and £3.25 respectively.

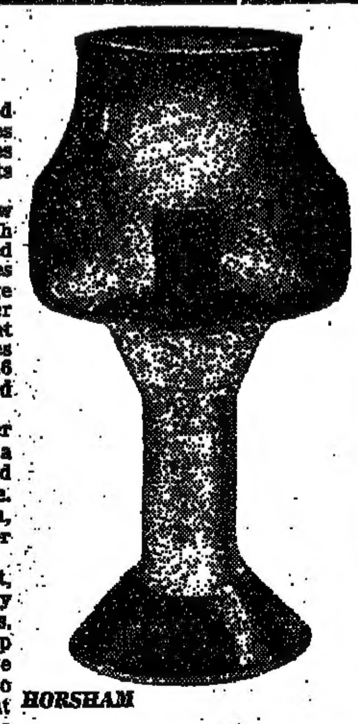
Also new in Habitat is a rather lush perspex (if that's not a contradiction in terms) curved pendant lamp christened Apple. It comes in white, cream, maroon, is 15 inches in diameter and costs £7.75.

Coexistence in Argyle Street, Bath, has just renewed its supply of Drive and Farstar lamps. Farstar is a small desk lamp with a sandblasted glass shade and a dimmer switch and is also the cheapest of the range at £13.65. The Drive lamps come in three heights and a desk-top version which is the most expensive at £34.30. The others are £26.25, £27.60 and £28.95 respectively for small, medium and large, that it 15, 18 and 21 inches high. All four styles of lamp are made from ABS plastics in green, white or black; Farstar also comes in blue.

Getting away from modernity for a moment and reverting to candles, the Horsham Lamp Company is presently marketing a range of non-drip candle lamps in traditional and modern styles. Brass, silver, or coloured bases are offered with a plain, etched, clear or tinted glass shade.

Each lamp has a metal cartridge inside which holds the candle whose wick emerges into a patented bowl which collects the molten wax. The company estimates that an average length candle should burn for about eight hours. They will be in the shops later this month at prices ranging from £4.50 (plus VAT) or you can buy direct from the Horsham Lamp Company now—write to them at 55 London Road, Horsham, Sussex, for a colour brochure. The candle lamp, shown above, has an amber or clear glass bowl and brass base and costs £7.25 including VAT and postage.

These draught proof candle lamps are ideal for evening drinks or dinners in the garden on these long hot summer nights. Roughly the same effect, though probably not so efficient, can be obtained by putting a candle inside a chunky wine glass, fixed into the glass with a few drops of wax before lighting.



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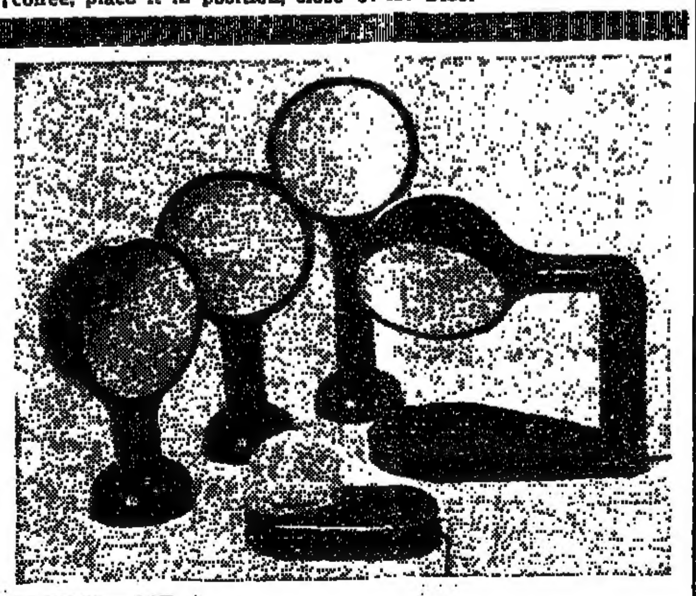

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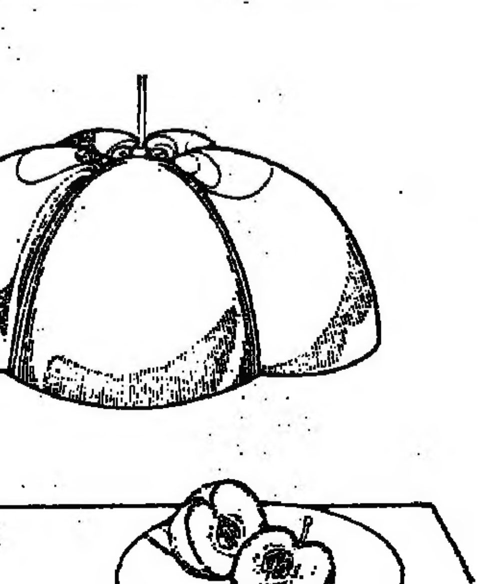

HABITAT

The Arts

Perkin Warbeck

BY MICHAEL COVENEY

In 1633, John Ford had six plays published. One of them, 'Tis Pity She's a Whore is well known and often done. *Perkin Warbeck*, Ford's chronicle of the cavorting Yorkist pretender to the throne of Henry VII, receives fitful academic attention but few performances. But how apt a choice it proves for the Royal Shakespeare Company at The Other Place in Stratford-upon-Avon. The directors are John Barton and Barry Kyle, and they have pulled off a vivid job of reclamation that both complements and develops Mr. Barton's work on Shakespeare's histories.

Ford's play was obviously written in part as a response to Shakespeare. Henry appears as a wily and successful monarch who is nonetheless plagued by "false apparitions/Of pageant majesty." The cue is well taken by Tony Church, for he presents a carefully detailed picture of a capricious ruler teetering on the edge of insanity, gleefully totting up his incomes of taxes while despatching this lord or that to repel James IV up north or mutinous Cornishmen down west.

Warbeck claimed to be the younger of the two princes in the Tower although he was, in fact, the son of a Flemish town councillor. However, the character is taken by Ford as an alienated symbol of monarchy incorporating elements of both Player King and Lord of Misrule. Scathingly referred to at Henry's court as "a gewgaw," "a counterfeit," "a straggler" and "a young Phaeton" he arrives in Scotland in the guise of a travelling monk who undoubtedly speaks the language of a king.

His tale of deprivation and unwonted anonymity moves James to give him sanctuary and the hand of Lady Katherine Gordon. Terence Wilton gives Warbeck exactly the right air of elegant ambiguity and careful precision. The impulsive James (another impressively energetic performance by Stuart Wilson) reacts not at all sceptically to this intrusion; the welcome and marriage procession of Warbeck and Kate achieves a fine and appropriate balance of "pageant majesty" and the real thing.

The white of Warbeck's monkish garb is substituted by a dazzling regal white and, again, this seems absolutely correct. The apparition experienced by James is very different, however, from that summoned before Henry at the end of the play. Still uttering noble rhetoric, the hounded hero is presented to the court as "a shadow of majesty, but, in effect, a substance of pity," bound in chains and sarcastically robed in a tattered paper smock on which is daubed "Richard IV."

The production economises on Warbeck's followers, but enough remains in the lunatic caperings of Barrie Rutter and Sid Livingstone to conjure the anarchic aspirations of those for whom political power is as unreal as it is, in their view, up for grabs. There is a splendid scene in which the celebratory revels at James's court, begun in solemn splendour, are overtaken by the noisy irruption of whooping fools.

The scene is doubly effective juxtaposed, as it is, with a movingly elegiac speech by the Scottish Earl of Huntly (Oliver Ford-Davies) bemoaning his lot and the loss of his daughter to the absurd pretender. The images of kingship in the play are tellingly threaded with the real dignity of Huntly in accepting James's donation of Kate to Warbeck; and, at the end, as Kate (Celia Bannerman) vows never to lie with another man, Huntly leaves the stage fortified by this evidence of devotion and constancy.

Warbeck casts himself as a martyr to the idea of monarchy and just as Mr. Barton has discovered striking theatrical imagery for that "idea" in *Richard II*, *King John* and, indeed, *Cymbeline*, so he does here. With the aid of mock processions, elaborate cloaks and token banners we are transported to a regal side-show in which to "appear" a prince is as good, almost, as to be one. The devious opportunist Frion (Clement McCallin points up the king-maker parallels with Shakespeare's Northumberland and Carlisle) charges Warbeck to disguise his passion in the cause of political discretion. But by this time Mr Wilton has successfully made of Warbeck a man who is believing his own tales about himself. Scorning the image he sees reflected in a large mirror he vehemently refuses to "counterfeit" his true self.

But who is the "true" Warbeck? We do not really know from the play and the mystery surrounding the character is sensed by those closest to him. Miss Bannerman is good at transmitting this element of the production. All in all, the evening is thoroughly enjoyable and yet again confirms the value of this small theatre. Chris Dyer has cleverly designed the play on an area of 168 black and white squares, and James Walker's music is playfully impressive—like Warbeck himself.

Terence Wilton, Tony Church and Celia Bannerman

More new theatres

In spite of the atmosphere of disaster in which the theatre currently operates, new houses continue to appear. Last week there was the Greenwood in the City. In Hammersmith, a 350-seat theatre is to be incorporated in the Polish Centre in King Street; while out at Chipping Norton an interesting theatre has been carved out of the former Salvation Army Citadel.

The Chipping Norton theatre was first thought of when the Salvation Army Citadel came on to the market two years ago. A far-seeing friend of the arts, M. V. Morgan, bought the building to ensure its survival. The next procedure was, of course, to raise funds. This done, and planning permission obtained, work went on apace through the rest of 1973 and 1974. In December, 1974, the Arts Council was impressed enough to offer £10,000 and the Calouste Gulbenkian Foundation £8,000. Two months later the Pilgrim Trust added £1,000. Other donations have contributed £8,924. These include £1,000 from the Hon. Michael Astor and £6,500 from an anonymous donor.

The theatre will be multi-purpose, and will seat 200—100 in the stalls and 100 in a three-sided balcony. Activities will include not only plays, but cinema, music hall, concerts, children's theatre and puppet theatre and lettings for sundry purposes.

The theatre in the Polish Centre is part of a complex including a library, youth centre, art gallery and other facilities. It has been built by the sustained efforts of the Polish community in this country, who have raised £1,300,000 for the purpose. The intention is not to provide a "Polish island," but rather to make a bridge according access to Polish culture for the British.

Although the building is by no means finished, the first production appears this week, a production in English of Mrozek's *Zabawa (The Party)*, directed by Nicholas Renton. The final performance is to-morrow.

Finally, the replica of Shakespeare's Globe in St. George's Church, Tufnell Park Road, which has already been written about with enthusiasm in these pages, is now within sight of completion. This project, the dream of the actor George Murcell, involves converting the interesting circular church into a modern copy of the Globe, which had much the same measurements. Work has been proceeding for five years, but plans are now afoot for an opening in October. This looks like being a very interesting event.

Summer Sports

BY B. A. YOUNG

Summer Sports consists of three short plays by David Edgar. Although they deal chiefly with the subject of sport, as you might guess, Mr. Edgar has not been able altogether to exclude his usual concern with left-wing politics. Perhaps he is right in believing that a great deal of organised sport is a hidden conspiracy to boost class-distinction, or at any rate elitism, which is the new catch-word for those who find that class-distinction is so eroded nowadays as to form a poor handle for turbulent thought.

However, let me say at once that *Summer Sports* is pretty funny, and makes a pleasant lunchtime relaxation under the Bankside Globe's double-glazed tent.

The first play concerns two cricketers, both in the same team, but both so permanently relegated to the outfield that they are playing a game of chess together through the medium of the scorer. One of them (David Jackson) is a high Tory, who believes England to be on the way out; the other (Peter Attard) is, he says, a "soggy Liberal," who thinks England is still OK. Both players know, and quote, the inevitable Newbolt; but Mr. Jackson thinks that winning is the only point of playing, whereas Mr. Attard thinks that you need only play the game. Mr. Jackson wins the chess; Mr. Attard loses the match by dropping an easy catch on the boundary.

The second play deals with the conflict between field events and track events in the world of athletics, and quite rightly. The first Englishmen to beat the four-minute mile achieved such glory that to-day one of them is a knight, one has sat in a Conservative Government, one writes for The Observer. Who knows the name of the holder of the world shot-put record? (It is Feuerbach of the U.S., who covered 71 feet 7 inches. Is that absolutely amazing? Who cares?)

In Mr. Edgar's play a shot-putter (Mr. Jackson again) watches a long-distance runner (Mr. Attard) complete lap after lap towards some record that will earn him headlines in the Press. It is too much for him, and his shot is despatched on to the track where the potential hero runs. As one who always treated the 440 yards as a long-distance event, I felt myself entirely on the shot-putter's side.

The final play shows us a conspiracy between two not very attractive ball-boys to murder a tennis player whose fabulous good looks and unpuncturable charisma strike them as grossly unfair. Though my own view is that only a madman will go through life expecting it to be fair, I have some sympathy for those who envy the handsome and the talented. On the other hand this play is really rather tedious; it goes on with too many irrelevant asides. Still, by this time we are mostly looking at our watches to see if it's time to get back to work.

British Museum Society's gifts

The British Museum Society has been able to make a gift to the Museum for the acquisition of two much desired objects.

The Department of Oriental Antiquities has acquired for £400 a scroll with a poem calligraphed by Liu Yung (1729-1805).

The Museum of Mankind was given £650 for the acquisition of a vegetable fibre mask from the village of Momogo, on the upper Pomatsj River in New Guinea.

Theatres this week

MERMAID—*Beetles and Buckman*. Splendid evening that restores the revue sketch to a respectable place in the theatre. Dr. Beetles and Dr. Buckman are the whole cast. Opened Monday.

BANKSIDE GLOBE—*The Marowitz Hamlet*. Charles Marowitz's revision of the Shakespeare material. Well directed by Marowitz, it seems funnier but less important than on its previous appearances. Opened Tuesday.

SOHO POLY—*The Late Wife*. Slack piece about the sufferings of an alcoholic widower who lays knickers on his wife's grave instead of flowers. Lunchtime. Opened Tuesday.

OLD VIC — *Engaged*. W. S. Gilbert's farcical comedy turns out well worth reviving. The National Theatre's production has not adopted the fashionable attitude that comedy portraying unpleasant behaviour is meant to be stinging social satire, but plays the piece for laughs, and very successfully. Opened Wednesday.

HALF MOON, Alie Street, E.—*Hatchet*. Bitter and violent play about family life in the Dublin slums, skilfully played by an all-Irish company. Reviewed Friday late editions.

HOME NEWS

NVT Wolverhampton work-in on Monday

BY JOHN WYLES, LABOUR REPORTER

LEADERS of 1,600 workers at the Norton Villiers Triumph Wolverhampton factory which is now facing liquidation warned yesterday that they would maintain control of the plant and start a "work-in" on Monday.

At the same time, union hopes that the Government might yet step in to prevent the possible closure of the Wolverhampton factory were dealt a severe blow yesterday by a letter from Mr. Eric Varley, the Industry Secretary, which reaffirmed that the Government would not provide any more financial aid for NVT. The Wolverhampton plant owes around £2m. to its creditors.

Mr Varley was replying to the request for Government intervention which was put to him by a union delegation on Tuesday evening. Mr. Bob Wright, national executive member of the Amalgamated Union of Engineering Workers, said last night that the decision showed "bad judgment" and that the unions would continue to fight to maintain a British motorcycle industry.

This means that the unions are likely to give official backing to action taken by the Wolverhampton workers when they return from their annual holidays on Monday. According to Mr. Peter Turner, Midland regional secretary of the Confederation of Shipbuilding and Engineering Unions, the employees are determined to work normally by day and to maintain their "dignified control" of the plant.

Cagey

The unions are being cagey about what this actually means but at this stage they are unlikely to allow some 300 completed motorbikes to leave the factory. Much depends on the policies adopted by Mr. Kenneth Morgan, the special manager appointed by the official receiver.

Mr. Turner led a delegation of shop stewards yesterday to meet Mr. Morgan who apparently requested a meeting to discuss the situation. The stewards will report on the discussions to meetings of the Wolverhampton workers on Monday.

Meanwhile, NVT is maintaining that the liquidation process at Wolverhampton is not irrevocable and that it would like to reach some agreement with shop stewards on the future of that plant together with that of its Small Heath factory. But Mr. Dennis Poore, the NVT chairman, warned yesterday that the liquidation at Wolverhampton would have to take its course "if there is no sign of a joint get-together."

Motorbikes off to sales record

BY TERRY DODSWORTH

SALES OF MOTORCYCLES in the U.K., where the only major manufacturer, Norton Villiers Triumph, is in dire financial trouble, are heading towards an annual total well in excess of the 16-year record of 256,000.

If the present trend continues, sales could reach 275,000 for the year, a dramatic increase on the level of 191,000 achieved in 1974, and only 55,000 machines short of the all-time record of 331,000 registrations reached in 1959.

Of that total, some 85 per cent. will be accounted for by Japanese products unless there is a major change in the market. NVT's share is running at between 3.5 and 4.0 per cent.

In July alone, when sales are traditionally low because of the new registration year starting in August, motor cycle sales jumped by 85 per cent. on the figure for July last year—from 6,773 to 12,480.

For two-wheelers as a whole — including mopeds and scooters — registrations went up from 12,990 to 18,960, an increase of 46 per cent. on the same month last year.

Industry officials attribute the rise in sales to the drive for fuel economy, the effects of the recent two wheel campaign, and the interest the public is showing in motorcycles as pure "leisure" vehicles, rather than simply means of transport.

All the same, the sudden explosion in demand has taken the industry by surprise. Only last year, at the height of the oil crisis, sales fell back by 3,000 machines after a steady rise throughout the 1970s. This year, early forecasts were suggesting a total of 200,000 for the year.

Price Commission to allow 15% increase in rail fares

BY ARTHUR SMITH

BRITISH RAIL announced details yesterday of the 15 per cent. fares increase which it is seeking from September 7. No objection has been raised by the Price Commission.

The rise, which will be the third this year, will raise only an additional £12m. in 1975 and leave passenger services with a deficit of £330m.

The three increases—12½ per cent. in January, 15 per cent. in May and 15 per cent. in September — will yield only £134m. In a full year compared with the cost of the latest wage award which BR says will put some £140m. a year on costs.

Announcing details of the latest rises, BR said a further fares increase would almost certainly be necessary although it was impossible to say how much and when. Indeed the lack of bouyancy on the revenue side underlines the need to cut back on costs.

Management action in recent months has cut the Board's working expenses by more than £11m. a year and further cost saving programmes are in hand, BR stated.

Labour recruitment has already come to a virtual halt, track laying has been reduced, and some 600 to 700 passenger coaches are being withdrawn. But controversy is likely to centre around BR's examination of the extent and frequency of its services, an issue under consultation with the rail unions.

While the broad impact of the September increases will be around 15 per cent., fares will in the main vary between 10 per cent. and 20 per cent.

For season ticket travellers the September increases will be broadly 15 per cent.

Motorail charges will not go up until October — when the main holiday season is over.

When the new rates take effect a second class day return ticket between London and Bishops Stortford will rise from £1.15 to £1.33, for example. A weekly ticket will go up from £6.65 to £7.65, and an annual season from £262 to £301.

The fare from London to Tonbridge will go up from £1.21 to £1.30 (day return), £6.45 to £7.45 (weekly) and £254 to £294 (annual).

On the Inter-city routes a day return from London to Birmingham will go up from £4.41 to £5.20, a week-end return from £6.15 to £7.10.

A day return from London to Leeds will rise from £7.34 to £7.79 and a week-end ticket from £7.86 to £9.04.

From London to Liverpool the fare will go from £7.88 to £8.80 (day return) and £10.65 to £12 (week-end return); from London to Glasgow £12.27 to £14.50 (day return) and £15.45 to £18 (week-end).

The increases also affect charges such as car parking and left luggage.

British Rail's shipping division said passenger fares and car rates on their Irish and Isle of Wight services will also rise on September 7. Passenger fares on the Channel Islands and estuarial services will be affected as well.

BR said the increases were necessary because of continuing rises in operating costs.

A second class single passenger fare on the Stranraer-Larne run will go from £1.90 to £2.20 for example. The cost for a car not exceeding 14 feet will rise from £15 to £17.25.

Cricket deal for Phoenix

BY NICHOLAS LESLIE

GLOUCESTERSHIRE COUNTY Cricket Club is to sell its Bristol headquarters to Phoenix Assurance Company for £125,000—a deal that Mr. Ken Graveney, GCCC vice-chairman, feels other clubs may see as "a pattern for the future." It will then lease the ground back through a joint amenity company with Phoenix.

Phoenix, which is also to provide £100,000 to build additional facilities at the ground, such as tennis hard courts, target golf and squash, has done the deal with Gloucestershire as a way of providing sport for its Bristol staff who number about 1,000.

The arrangements should help to solve Gloucestershire's financial problems. It has an overdraft and immediate creditors of between £55,000 and £60,000. Last year the club lost £25,000, but is hoping to approach a break-even position this year, given a boost in its gates by the Cheltenham Festival.

With the £125,000 it will receive for the sale of the ground, Gloucestershire will pay £25,000 for shares in the joint amenity company, Phoenix subscribing a similar amount. The balance of £100,000 will go to clearing the club's debts and providing working capital.

CAA relaxes charter flight rules

RELAXATION of the rules governing the licensing of charter flights was announced by the Civil Aviation Authority yesterday.

Apart from helicopters serving off-shore oil and gas rigs, aircraft chartered for "sole use" operations would be exempted from the air transport licensing requirements, it said.

This will apply, mainly, to aircraft chartered by companies for their employees. It will not affect advance booking charters or inclusive tour operators who will continue to be licensed by the Authority.

APPOINTMENTS

EMI regroups audio visual projects

Mr. D. H. Maclean has become managing director of a new EMI division, named the EMI Audio Visual Services Division, which has been formed to combine the functions of RM EMI Visual Programmes, EMI Sound Broadcast Programmes (EMISON) and EMI Special Films Unit.

Mr. Cliff Michelmore and Mr. Gordon Reece continue to provide consultancy advice to the new division through RM EMI Visual Programmes.

Other appointments following the formation of the new division are: Mr. John Andrews, director, and Mr. Hugh McDonald, production manager, EMISON; Miss Hilary Flaxman, research manager, Mr. Jerry Jacobs, director of marketing, and Mr. David Donaldson, marketing manager, EMI Audio Visual Services; Mr. Gary Pownall, director, and Mr. Ronald Glenister, production manager, EMITEL, the combined Video software production organisation; and Mr. Jeremy Saunders, director of Audio Visual Development.

Sale and distribution of film catalogues of RM EMI, EMI Special Films Unit and EMI Audio Visual Services are now the responsibility of Mr. John Hogarth, director of U.K. distribution, EMI Film Distributors.

★

Mr. Simon W. Stevenson has been appointed to the Board of BRITISH SPRINGS, a subsidiary of United Spring and Steel Group.

★

Mr. Bill Hughes has been appointed general manager of the newly formed international division of the HOW GROUP. He was previously with Hall and Kay.

★

Mr. Marinus Schulp, export director of Freeline, has been appointed to the Board of CORBEAU EQUIPE.

★

Mr. Nigel Lawson, Conservative MP for Blaby, and Mr. R. A. B. Nicolle have been appointed to the Board of BRITISH AMERICAN AND GENERAL TRUST.

★

Mr. Robert S. Simpson has become a director and general manager of BURMAN AND SONS and Mr. J. C. Haden has been made purchasing and supplies director. The parent concern is Duport.

★

Mr. L. J. Mills has been appointed a member of the Advisory Council on Research and Development for Fuel and Power to replace Mr. N. Siddall, as National Coal Board representative.

★

Dr. R. A. Trevethick has been appointed chief medical officer of the BRITISH STEEL CORPORATION from September 1. He will succeed Dr. Kenneth Duncan, who is leaving the Corporation to become the first director of medical services at the Health and Safety Executive.

★

Mr. Malcolm Bates has resigned as a director of C.H. INDUSTRIALS and Mr. John Kinder, a director of Brandt's, has been appointed in his place.

★

Mr. James Keith Anderson has resigned from the Board of LOW AND BONAR GROUP.

★

Mr. K. W. Bates and Mr. T. D. Scrase have resigned from the Board of COURT HOTELS.

★

Mr. Dennis H. Alexander (managing director of County Bank) has been reappointed president of the HARVARD BUSINESS SCHOOL CLUB, of London, for 1975-76.

★

Mr. Patrick Vaughan Radford, Mr. John Davenport Radford and Mr. Gerald Richard Gray Berwick have been appointed additional directors of YATTON FURNITURE. They are also directors of STAG FURNITURE HOLDINGS.

★

Mr. Henry Keswick, chairman of Matheson and Co. has been appointed a director of SUN ALLIANCE AND LONDON INSURANCE and of its principal subsidiaries.

Tories must accept trade unions—Prior

BY PHILIP RAWSTORNE

THE CONSERVATIVE Party "must come to terms" with the trade unions if it is to regain office, Mr. James Prior, "shadow" Employment Secretary declared last night.

"We should accept that no economic policy can work unless it carries the assent of working people," he said, in a major policy speech at a conference of Conservative trade unionists at Swinton College.

Mr. Prior, speaking shortly after an ORC poll in the London Evening Standard had shown a 14 per cent. lead for the Tories over Labour and increasing support for a coalition government, stated that Conservative policy should seek a broad consensus across industrial boundaries.

"It is one thing to believe, as we do, that the power some of the big unions wield is now too great in many ways; but quite another to appear to be unremittingly suspicious and hostile towards their general aims."

Conservatives were conscious of their past difficulties in the field of industrial relations. "It is especially in the industrial areas that Tory support has fallen away.

"For too long, we have been accused of union bashing and being anti-union. We wish to see a strong trades union movement . . . increasingly involved in the positive side of running industry . . . that does its best to eliminate conflict and tension.

"We want Conservatives in industry to join unions, join branches, become shop stewards, influence events. We should be striving for a situation in which trade unionists are neither reluctant nor fearful to identify themselves as Conservatives."

The party's industrial policy should rest on four main principles, said Mr. Prior.

- The right of people to work—though that did not imply a licence to remain in the same job.
- The right of people to participate in decisions closely affecting their working lives.
- The right to join a trade union, now being increasingly exercised by middle management.
- The rights of the public, the consumer taxpayer, to expect responsible conduct in industry.

Mr. Prior said special action would be needed to cope with unemployment among school leavers in the next two years. In addition to a major extension of educational and training courses, he suggested a new type of course which would embrace works preparation, work experience and perhaps even a period of community service.

The Manpower Services Commission, he commented, should be given a more dynamic role in identifying areas of industry growth and decline, expanding retraining facilities and assisting job mobility.

Crucial Ulster talks begin as tension mounts

BY GILES MERRITT

BELFAST, August 8.

ULSTER UNIONISTS and Catholic SDLP leaders to-day began crucial talks expected to determine the success of the province's 78-seat Constitutional Convention against the discouraging background of sectarian rioting in Lurgan and a mounting Republican campaign against internment.

This week-end marks the fourth anniversary of the introduction of detention and protest rallies are to be held in Strabane, Derry and Armagh. Mr. Seamus Loughran, Belfast's Provisional Sinn Fein organiser and a one-time inmate of Long Kesh, yesterday addressed a major anti-internment meeting in the city's Andersonstown district.

With to-day's informal talks between the three-man teams of the UUUC and the SDLP doubtless in mind, Mr. Loughran warned that if the Loyalists envisaged a return to ascendancy rule, or in the event of a civil war, "they would find to their cost that the Republican movement is far from the weak organisation which British propagandists have made it out to be." It was, he added, ready to face and repel any onslaught.

The anti-internment demonstrations planned for to-morrow have been organised chiefly by the Republican Clubs, the political wing of official Sinn Fein. Mr. Ivan Barr, secretary of the north west executive of the Republican Clubs, said in a statement that the emphasis throughout the rallies would be on "maintaining an orderly, dignified protest," against internment.

Observers fear, however, that mass displays of Republican strength could easily trigger serious rioting over the week-end.

More home news on Page 18

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Collecting wisely

Now for the good news . . .

BY JANET MARSH

SOTHEBY'S AND CHRISTIE'S have just closed down for their summer recess; and it is a sign of the hard times that the break between seasons is this year considerably shorter than in the past, with Sotheby's taking the bare month of August.

Buyers will be faced with another sign of the times when sales resume next month. For the first time, the London auction rooms will be introducing a "buyers' premium" or "purchase premium." Christie's were the first to break the news when they announced on May 30 that they would be reducing the commission charged to vendors (which since 1970 had been 15 per cent. on items selling for less than £500, 12½ per cent. between £500 and £10,000, and 10 per cent. above that) to a flat 10 per cent. At the same time, buyers would pay a premium of 10 per cent.

Christie's decision had been taken quite independently, but within a week Sotheby's came out with a similar announcement. The decision may have been stimulated by Christie's announcement; but it was only a matter of timing. Since the autumn, with the dramatic drop in the fine art business (Christie's reckoned it at 22½ per cent. of turnover, Sotheby's at 25 per cent.), it was clear that something had to be done to combat escalating costs and falling turnover.

Undesirable

Clearly any increase in the vendors' commission would have been unpalatable, and particularly undesirable at a moment when it was vital to attract more goods into the rooms.

One trouble last autumn was that the general economic uncertainty together with fear of a wealth tax effectively inhibited sellers, particularly in the kind of important English collections that have always been a mainstay of the salerooms.

The decision to burden the buyers was clearly not an easy one. Against the immediate advantage offered to the vendor, there is the real fear—stressed particularly by the dealers, who will be worst hit by the premium—that bidders will simply take the 10 per cent. into account when bidding, and set a proportionally lower ceiling price, so that it will still be the vendor who pays after all.

The premium, moreover, removes one of the major attractions that has made London a world centre of the art market, by bringing sales conditions in line with those of the Continent. (Christie's Amsterdam, Rome and Geneva sales already work on a similar system.)

Certain quite important factors still remain unclear also; for example, whether or not VAT where appropriate (that is on lots submitted for sale by registered dealers), will be chargeable on the premium or on the selling price alone—which is why the salerooms are at pains to call the buyers' charge a "purchase premium" and not "commission."

Clearly the difference will matter. A lot knocked down for 1,000 guineas at Christie's (where the guineas in themselves imply a 5 per cent. premium to begin with) would end up costing £1,247, if VAT were charged on the whole purchase price plus premium.

Lower costs

The smaller salerooms clearly operate at comparatively lower costs, with smaller outlay on publicity, catalogues and expert research. Bonhams followed up the first announcements with the news that they *would* reduce their vendors' commission to an irresistible 7½ per cent.; and that their newly imposed purchase premium of 10 per cent. would *include* VAT where applicable—which in view of the uncertainty in this respect seems a little premature.

Phillips then pulled the big surprise out of the hat, by announcing confidently that not only would they reduce the vendors' commission to 10 per cent., but that they would introduce no compensatory charge to the purchaser. This is not quite so quixotic as it may seem: a minimum charge of £4 per lot means that at Phillips the commission charge rises automatically on lots of £40 or less (which represent a fair bit of Phillips's turnover) which would otherwise be quite uneconomic.

The processing of a saleroom lot — receiving (Phillips reckon dealing with clients costs an average of 12 minutes an item), storing and transporting, cataloguing, printing and advertising, viewing, selling, clearing, payment, correspondence with clients; to name only a few stages — is nowadays a costly service, certainly hardly covered even by Phillips's minimum charge.

Phillips are confident that their strikingly more favourable rates will bring them a bigger share of the auction market, for which they have been strenuously and successfully working over the last year or so.

They are able to announce in their end-of-season results an increase in turnover of getting on for £¼m. from £10,436,700 in 1973-74 to £10,675,761 in a very hard year. This compares with Sotheby's London turnover of £38,277,557 (£49,297,373 in 1973-74), Christie's £33,730,000 (£44,267,878 in 1973-74, which was an increase of over 30 per cent. over the previous year). Christie's figures do not include lots which were unsold at auction.

With an expansion in their premises and facilities (at a time when the two big salerooms have reduced staff) and with the rapid turnover of goods they offer (into the saleroom within three weeks of delivery, payment within the month) they are confident morover that they can handle a much increased bulk of business, and particularly aim to attract the upper end of the market.

Christie's take-over of Debenham Coe's, renamed Christie's South Kensington, incidentally, running somewhat on the economical, quick-service lines of Phillips, is a means of rationalising the *lower* end of the market.

Confident

At the same time Christie's and Sotheby's are confident for their part that the new rates will make *little difference,* allowing perhaps for a few sales for buyers to make the adjustment. You can choose where you sell goods (and the new rates are an undoubted inducement to the seller), but you can only buy where the goods are. For exceptional items in particular, the thought of a 10 per cent. surcharge does not, in fact, seem likely to inhibit the determined buyer from bidding on.

The optimism may well be firmly based; and even if there is an element of whistling in the dark, at least the dark is not so dense as it was a few months ago. Saleroom results at the end of the season have shown a marked improvement since the gloom of last autumn.

Travel

Changing face of cruising

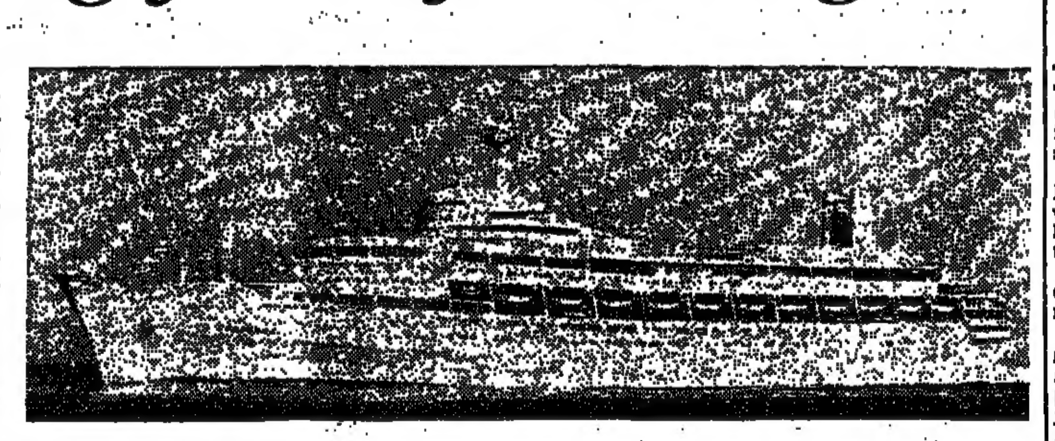
BY PAUL MARTIN

BEFORE SETTING sail from Southampton on a Saturday evening last month on a six-day round trip to Lisbon and Vigo, I had already cruised on P & O's flagship, Canberra, in her two-class configuration of first and tourist and was interested to see how the open-class concept worked out in practice.

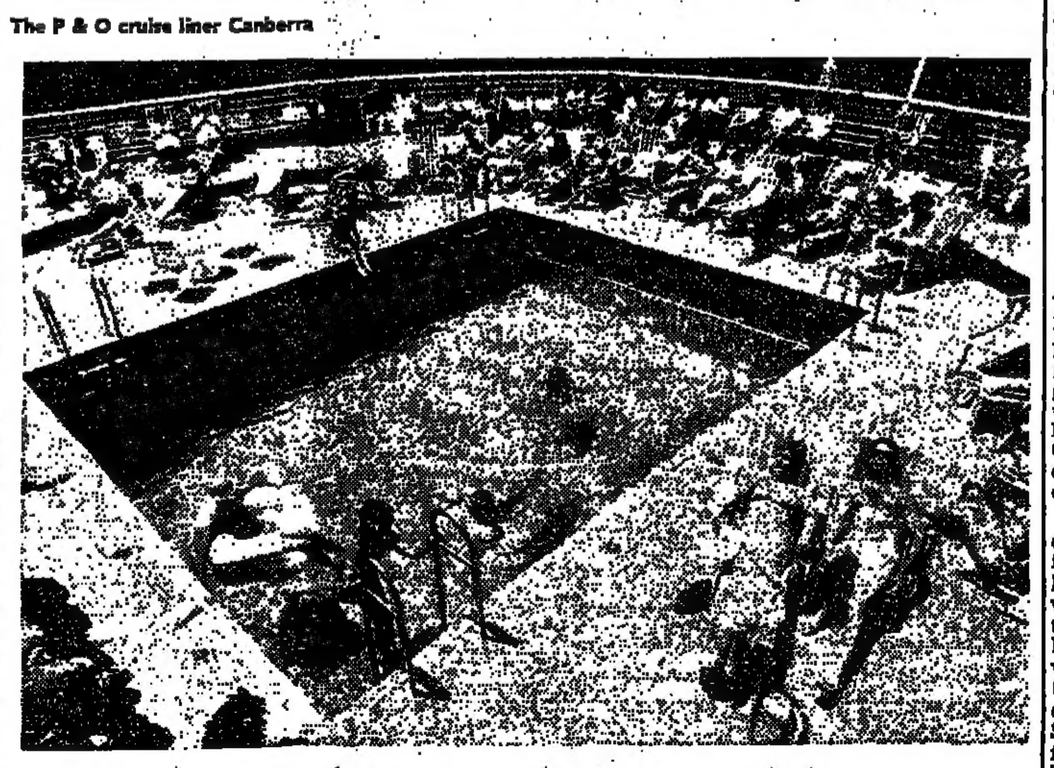
Of course, in cruising as in everything else, you get what you pay for and, while everyone has free access to all the public rooms and the generous deck space so essential for comfortable cruising, there are considerable price differentials according to the location of your cabin and facilities provided.

In the social and economic changes that have taken place in recent years, cruising is no longer something that only the wealthy few can enjoy and, while I am sure that the decision to convert the P & O fleet to open-class operations was not taken without a good deal of discussion on the pros and cons, it was, I feel equally sure, the right one.

In the process there have inevitably been some sacrifices. The menus are less extensive and perhaps those who belonged to the cruising elite of yesteryear would be aware that some of the finesse has vanished. The die-hards, who would object to the changing face of cruising, are to-day very much in the minority and the shipping lines, looking forward and not aft, have grasped the opportunity that the open-class system offers *to attract* a completely new clientele who may well become the cruise habitues of the late 70's and 80's.



The P & O cruise liner Canberra



I last sailed in the Canberra five years ago and found many of the public rooms including the imaginatively-designed Cricketers Pub out of bounds to those travelling first class. That, however, is only one of the countless bars where shipboard prices have some real meaning, with spirits at 13p a nip and cigarettes at under half the current rates at home.

The Bonito Club, with its direct access to the forward sea-water swimming-pool, has its equivalent aft, where the Alice Springs Room is similarly situated in relation to the other pools, including one set aside for young children who also have their own playroom.

Alice also provides her alcoholic springs over a generous timespan and, should the proverbial hair of the dog be called for, opens at 9.30 a.m. when those on the second breakfast sitting, after ploughing through a copious and traditional English breakfast, have just got round to a second cup of coffee. Another reminder of the old days is the regular inclusion of a curry as one of the main dishes on the luncheon menu.

Fodder and water—or something stronger — appear with alarming regularity, and many items elsewhere listed as extras are included in the passage fare. Early morning tea, a full breakfast, morning coffee, lunch, afternoon tea, and dinner will satisfy the heartiest appetites and, should you still be feeling peckish, sandwiches, tea and coffee appear before the discotheque really gets going. Add to these a full entertainment programme — one of the films showing was "The Towering Inferno"—and there need never be a dull moment.

On a six-day cruise we called in at Lisbon and at Vigo, in the north of Spain. There were no formalities at either port

Even with the declining purchasing power of sterling Vigo, with the shops close to where Canberra ties up very centrally, is still a marvellous place for shopping.

I have no time for the traveller or the travel writer who has seen and done it all and I still find it an exciting and emotional moment when a gleaming white cruise ship pulls gently away from the quay to the accompaniment of the traditional "Life On the Ocean Wave." Long may that tradition continue!

I also thoroughly approve of the addition of an attractive semi-circular bar to the Crows Nest where a leisurely pre-dinner drink, in a strategic viewpoint, with the sun glistening on the water, is just one of the things that a cruise is all about.

Looking further ahead, Canberra sails on a world cruise, taking in a visit to mainland China, on January 8, 1976. It lasts 92 days and, while you can pay up to £6,450 for the highest grade accommodation, I would willingly settle for something much more modest. It is only a question of finding the time and just £993!

OVERSEAS NEWS

Gandhi election secured by Parliament

NEW DELHI, August 8.

THE UPPER House of Parliament gave final approval to-day to a constitutional amendment which would make it impossible for the courts even to consider the matter of Prime Minister Indira Gandhi's election to office.

The vote in the Upper House was 161-0, with all members of the Opposition boycotting the special session as they have since Mrs. Gandhi's declaration of a state of emergency.

The Bill was approved by the Lower House on Thursday by a vote of 366-0. Both houses are dominated by Mrs. Gandhi's ruling Congress Party.

The measure also stipulates that elections of three other *top Indian officials—President,* Vice-President and the Speaker of the Lower House—cannot be questioned in a court of law. The Bill must be ratified by a majority of the 22 state assemblies and signed by the President before it becomes law.

President Ford came under fire during debate on the amendment in the Upper House for remarking recently there was "a temporary demise of democracy in India. Communist party leader Bhupes Gupta, referring to a July 28 interview with Ford in Time magazine, said. "I hope he is not trying to revive democracy here."

UPI

Top Nigerian officials reshuffled

By Bridget Bloom

LAGOS, August 8.

IN WHAT is probably the last of its major personnel changes for the time being the new Nigerian government to-day announced a reshuffle of certain key civil service heads, most notably the Permanent Secretaries of the Petroleum and Foreign Affairs Ministries.

Mr. P. C. Asiodu, who has been in charge of Nigeria's oil policy over the past three years and was widely considered one of Nigeria's most powerful civil servants, has been moved to housing, urban development and environment, while Mr. J. Iyalla, the Foreign Affairs Permanent Secretary, goes on leave to be replaced by a senior career service diplomat, Mr. M. A. Sanusi. Mr. S. B. Awoniyi, formerly internal affairs and defence, takes over from Mr. Asiodu.

Egypt sets up nuclear council 'for all purposes'

BY RICHARD JOHNS, MIDDLE EAST EDITOR

INTENSIFIED Egyptian concern about Israel's undoubted nuclear capability was indicated yesterday by the Cairo announcement about the creation of a "higher council for the use of nuclear power for all purposes."

It followed only one day after the publication of President Sadat's statement that any Israeli introduction of nuclear weapons in the region would be met by "counter-action" and would not cow Egypt into concessions.

Included in the council are Vice-President Hosni Mubarak, former Air Force chief, General Abdel Ghani Gamassi, Minister of War and Mr. Ismail Fahmi, Foreign Minister, as well as the Chief of Military Intelligence.

Both the timing of the council's formation and President Sadat's remarks may have been prompted by an apparently well-informed report in the Boston Globe earlier this week saying U.S. military analysts believe Israel to have manufactured more than 18 nuclear weapons. Written by Mr. William Beecher, until recently Pentagon spokesman, and quoting "highly informed sources," it said that each weapon would have an explosive force comparable to the atomic bombs which destroyed Hiroshima and Nagasaki.

To what extent the report was deliberately inspired by the Administration to cajole Egypt, Syria and Jordan into a peace settlement must be a matter for speculation. The Israeli authorities, meanwhile, have for some time obliquely been putting the message across that the Jewish State, faced in the next few years with an almost inevitable growing Arab predominance in conventional arms, will look to nuclear deterrent power to hold the balance.

Having ratified the nuclear Non-Proliferation Treaty, Egypt told the UN on Wednesday that it would be prepared to sign it if Israel—which has not ratified it—did the same.

Egypt is generally reckoned to be upto 10 years away from producing its own atomic weapons, *but Cairo's sudden urgency about* the nuclear option is, nevertheless, very relevant to the present stage of the U.S. peace initiative which immediately is concerned about bringing about a second disengagement agreement in Sinai.

Syria calls for review

BY LOUIS FARES

DAMASCUS, August 8.

SYRIA TO-DAY called Arabs to reconsider their policy towards Washington in order to end the "time-gain policy followed by the U.S."

In an editorial, the newspaper Al-Baath—which is the organ of the ruling Baath party—complained that "thus far, Washington has abstained from making public the results of its re-evaluation of the U.S. foreign policy," recalling that the exercise was ordered by President Ford in the aftermath of the breakdown last March of the last Middle East mission by Dr. Henry Kissinger, U.S. Secretary of State.

Al-Baath commented: "In any event, it is not, at the present time, premature to speak about the results of the re-evaluation. The U.S. will persist in her 'small steps approach,' and in increasing her military and economic support to Israel." The paper concluded with a suggestion that Arabs again take up the policy followed after the October War—when the producing states maintained for five months an oil embargo against the U.S.

● King Hussein of Jordan will visit Egypt and Syria later this month, the official Middle East News Agency reported from Cairo.

Reuter

'Portuguese stirrings' in army

MADRID, August 8.

SPAIN'S highest ranking military officer has admitted to some "Portuguese" stirrings in the *Spanish Army,* but said the great majority of officers were politically reliable.

"Since the Portuguese revolution there have been elements (in the armed forces) who dream of staging a 25th of April in our country," Gen. Carlos Fernandez Vallespin told a news conference on Thursday night. April 25, 1974, is the date of the Portuguese Army coup.

He said that the great majority of the officers knew their duties. "It is nothing extraordinary that in a group as numerous as our officers corps some should deviate from the right road," he added. Gen. Fernandez Vallespin, chairman of the Joint Chiefs of Staff, was speaking after a two-day inspection tour of bte disputed Spanish Sahara.

He made the statements in reply to questions regarding the recent arrests of an army major and eight captains in Madrid, and the reported investigation of hundreds of other military officers. According to Spanish Press reports, a military judge has taken the first step toward formal indictment of the arrested on a charge of "conspiracy to commit the crime of sedition."

Gen. Fernandez Vallespin said there was no proof that the meetings of the implicated officers and their "airing of inquietudes" amounted to a military plot.

UPI

$500m. loan for Iraq

BY ROBERT MAUTHNER

PARIS, August 8.

THE BIGGEST single Euro-currency loan floated this year—$500m. for the Government of Iraq—was signed to-day in Paris by the Governor of the Central Bank of Iraq and a syndicate of 71 international banks led by the Union de Banques Arabes et Françaises (UBAF).

The five-year loan at a 1½ per cent. spread over inter bank rates marks the first time that Iraq has borrowed in the Euro-dollar market. The fact that the fourth-largest oil producer in the Middle East with annual oil revenues of $7bn. and currency reserves of some $3bn., has resorted to such a step has, not surprisingly, provoked a considerable amount of comment.

A partial explanation was provided at the signature ceremony to-day by Mr. El Kaissi, the Bank of Iraq Governor. In keeping with its "prudent financial policy" Iraq did not want to touch its reserves. But it had to make big down payments on ambitious development projects in the petrochemical, phosphates, fertiliser and paper industry sectors. The only alternative to borrowing now—which was also a way of keeping a step ahead of inflation—was to postpone these vital projects.

Unita, MPLA armed clash

LUANDA, August 9.

THE NATIONAL Union for the Total Independence of Angola (Unita) to-day jointed the fighting that has raged in Angola since January, a spokesman said.

Unita Secretary General Nzau Puna said its troops retaliated when soldiers of the Communist-backed Popular Movement for the Liberation of Angola (MPLA) attacked a training camp and killed about 150 recruits.

Until this week, when Unita mobilized its 7,000-strong army and ordered it to fight back if provoked, the party had not joined the widespread fighting between the MPLA and the National Front for the Liberation of Angola (FNLA). Mr. Puna said the MPLA soldiers *opened fire on a training base* in the south of the country where Unita has most of its support.—UPI

Reuter adds from Windhoek: Fierce fighting has broken out just across the border from *South West Africa (Namibia),* according to reports reaching here to-day from reliable sources. Fighting between Unita and the MPLA was taking place at the giant Ruacana Falls hydro-electric project, still under construction the reports said.

Reuter adds: The U.S. Consulate here to-day advised Americans to leave Angola as soon as possible. A note circulated to U.S. citizens said that the consulate recommended "that all American citizens leave Angola as soon as possible." Their number is *estimated at about 120.*

British inflation stressed by EEC

By Reginald Dale, Common Market Correspondent

BRUSSELS, August 8.

THE GLOOMY state of the British economy, compared with those of the other EEC countries, is once again underlined in two reports published by the Brussels Commission here to-day. The reports show that British prices are still rising faster than those in any other EEC country and that U.K. consumers are the only ones in the Community to feel more pessimistic about the overall economic situation than they did at the beginning of the year.

The latest statistics compiled by the Commission show that U.K. retail prices in June were 26.2 per cent. higher than in *June, 1974. Ireland came next* with 24.5 per cent. (May figures), followed by Italy with 19 per cent. The French figure was 11.7 per cent., and all the other countries were around 10 per cent., apart from West Germany at 6.4 per cent.

In its report on consumer attitudes in May, the Commission said that Britain was the only country where there was greater pessimism, not only about the economy in general but also about employment prospects and the financial situation of individual households. British consumers were also far less inclined to make purchases of major consumer durables.

The survey, carried out among 40,000 households in the Community, showed that 59 per cent. of British consumers thought the general economic situation had "got a lot worse" in the past year, compared with 53 per cent. in January. A further 32 per cent. thought the situation had "got a little worse," and only 3 per cent. said it had got better.

Thirty-two per cent. in Britain thought the economic situation would "get a lot worse" over the next 12 months, and another 28 per cent. though it would "get a little worse." Eighteen per cent. said it would stay the same, 16 per cent. were confident it would get better, and only one per cent. thought it would get a lot better.

Eighty-three per cent. of British households thought unemployment would increase in the coming 12 months and 89 per cent. thought prices would rise either moderately or sharply. Only one per cent. thought prices would stay the same, and nobody thought they would fall. Almost a third said that prices would increase faster than hitherto.

U.S. Steel lifts prices

BY ADRIAN DICKS

WASHINGTON, August 8.

U.S. STEEL, *the largest producer* in this country and frequent market leader, followed the example of two smaller companies earlier this week by announcing a round of price increases averaging 3.8 per cent.

Prices on some products, including standard quality rods, reinforcing bars, merchant quality bar angles and wire fabric, will be reduced with effect from to-morrow. Higher prices on most of the company's other products — including an average 5.7 per cent. for sheet *products—will be implemented* between September 1 and October 1.

U.S. Steel's decision to delay the higher prices appeared to be a nod in the direction of the Ford Administration's strenuous efforts during the past few days to contain what it fears may turn into an inflationary surge in prices of industrial basic materials just at the moment that the recovery in the economy is gathering some momentum.

The White House Council on wage and price stability, which *monitors industrial price* increases without having any power to block or delay them, expressed satisfaction that U.S. Steel had concluded that to put the price increases into effect immediately would be premature, given the still-weak level of demand.

In a later development, Armco Steel, which announced price increases of about 9 per cent. on flat-rolled products with effect from Sunday, said it would put these off until further notice. It was not clear whether this action was the consequence of *U.S. Steel's announcement,* or whether the "jaw-boning" of the wage and price council had also had some impact.

A spokesman for the council expressed satisfaction at U.S. Steel's price reductions in response to competitively priced imported products, though the company itself said it blamed "a return by foreign mills to the unfair practice of dumping steel in the American market." A formal complaint by U.S. specialty steel makers is currently pending before the *International Trade Commission.*

Richard Nixon: one year after resignation

BY ADRIAN DICKS

WASHINGTON, August 8.

A YEAR after his resignation, America is still not quite sure what to make of Richard M. Nixon. Is he going to remain in near-seclusion among the overgrown lawns of his San Clemente *villa, once the Western White* House, brooding about the past? Or does he intend to seek an elder statesman's role in the country's political life?

In recent months, and especially since his recovery from the attack of phlebitis that kept him from appearing in the witness box at the Watergate trials, the former President has kept his name and his activities well out of sight. He has ventured a few times out of his estate — always under Secret Service *guard—to meet old* friends or to walk along the beach. Visitors report Mr. Nixon to be in better spirits, concentrating on the memoirs that offer him the best prospect of improving his financial fortunes: he is said to have reached the year 1946.

Much of Mr. Nixon's time also seems to have been spent in legal negotiations surrounding his autobiographical task. He is suing to obtain greater access to his tapes and Presidential papers, and if possible to establish legal ownership of them. For this costly battle, which is expected to go to the Supreme Court, he is receiving the help of the tireless Rabbi Baruch Korff, whose President Nixon Justice Fund has already paid off $200,000 of the legal fees and is bombarding potential sympathisers with appeals by mail.

Mr. Nixon is said to feel he cannot complete the book without access to his papers. But even so, he has reportedly been paid about $200,000, and possibly much more, of a total publisher's advance believed to be as much as $2.5m. There have also been persistent reports of negotiations *between the former President* and the major television networks—his bitterest enemies during the last years of his power —for a special appearance or series, for which fees of up to $500,000 have been mentioned.

On the credit side, too, are Mr. Nixon's property assets in Key Biscayne, his pension and other allowances, and the fact that some of his rich business friends appear to have lent him money to pay off his San Clemente mortgage and some of his vast tax arrears.

In contrast to the period immediately after his abrupt departure from the White House, there seems little reason for Americans to feel that Mr. Nixon has been hard done by financially, although admittedly some question marks still hang over his involvement in some three dozen private lawsuits resulting from one or another facet of Watergate, including the invasion of privacy case being brought by two former National Security Council officials who were illicitly wiretapped. All this could cost Mr. Nixon large sums in lawyers' fees, as well as threatening him with subpoenas to appear as a witness. In late June he was closely questioned for more than seven hours by the special Watergate prosecutor, Mr. Henry Ruth, in the presence of two grand jurors, on matters still outstanding from the investigation—though the details remain a mystery.

However, before America is ready to let Mr. Nixon emerge from his seclusion, as he now seems eager to do, it will surely want to know what his side of the complex saga that led to his humiliation and downfall was. Visitors have hinted that he still

believes mistakes and bad judgment, over-mighty subordinates and poor advice, were his undoing. As has seemed clear to many people from the beginning of the whole Watergate episode, Mr. Nixon apparently still has no great sense of having done anything wrong.

In some respects, his defenders' frequent claim that previous Administrations also overstepped the lines of legality in intelligence matters, particularly, has been vindicated by the continuing witch-hunt against CIA and FBI wrong-doing. But for most Americans who are not of the opinion that Mr. Nixon was himself the victim of liberal conspiracies, that is hardly the point.

A year of Mr. Gerald Ford's soothing, manifestly decent style of government has drawn some of the poison from the Watergate episode. But for Mr. Nixon himself, it is going to require the full disclosure of the past that he has so far refused to make before he can expect full rehabilitation. *Even if the* serene rectitude of Harry Truman in Independence, Missouri, or the mellowness of Lyndon Johnson beside the Pedernales River in Texas, may continue to elude him, the way might not be barred completely to some new role in public life.

Reuter reports from New York: The National Broadcasting Company said to-night it had ended negotiations with an agent for former President Richard Nixon over proposed documentary television programmes in which Mr. Nixon would appear. Mr. M. S. Rukeyser, an NBC vice-president, said negotiations with the agent had involved television rights to Mr. Nixon's memoirs and his appearance on two or three television documentaries produced by NBC News. The programmes had been planned for sometime after the 1976 Presidential elections, he said. Financial details were not disclosed.

This document contains particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information to the public with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement in this document misleading.

Application has been made to the Council of The Stock Exchange for the Participating Redeemable Preference Shares of the Company for the time being in issue to be admitted to the Official List.

Schlesinger International Fund (Jersey) Limited

Incorporated with limited liability in Jersey under the Companies (Jersey) Laws 1861 to 1968

This announcement is issued in connection with a placing of Participating Redeemable Preference Shares (the "Shares") of Schlesinger International Fund (Jersey) Limited (the "Company") at a subscription price of £1 per Share.

MANAGERS
Schlesinger Fund Managers (Jersey) Limited,
P.O. Box 197, 12 The Esplanade, St. Helier, Jersey, Channel Islands.
The Board of Directors of the Managers is the same as that of the Company.

INVESTMENT ADVISERS
Schlesinger Investment Management Services Limited,
19 Hanover Square, London W1A 1DU.

SECRETARIES, REGISTRARS
And Administration and Registered Office
Hambros Channel Islands Trust Corporation Limited,
P.O. Box 197, 12 The Esplanade,
St. Helier, Jersey, Channel Islands.

AUDITORS
Peat, Marwick, Mitchell & Co.
Chartered Accountants.
Caversham House, 19 Queen Street, St. Helier, Jersey, Channel Islands.

AUTHORISED SHARE CAPITAL

100 Founders' Shares of £1 ***nominal each issued and fully paid.***
500,000 Participating Redeemable Preference Shares of 1p ***nominal each now being issued*** **and to be fully paid.**
19,490,000 Unclassified Shares of 1p nominal each available for issue.

Unclassified Shares will be issued as Shares for the purpose of satisfying applications for subscription and as Nominal Shares for the purpose of facilitating the redemption of Shares (see below).

As at 7th August, 1975, the Company had available the loan facility described below under the headings "Foreign currency loan facility" and "Borrowing Arrangements". Apart from this and the arrangements for the redemption of Shares and Nominal Shares of the Company referred to below under the heading "How to Realise Shares" and "Capital Structure", the Company had at that date no loan capital or other borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances or acceptance credits, mortgages, charges, hire purchase commitments or guarantees or (save in the ordinary course of business or as disclosed herein) other material contingent liabilities.

LEGAL ADVISERS
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In London: **Linklaters & Paines,**
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and at The Stock Exchange.

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David Oswald Moon, *Solicitor of the Royal Court of Jersey.* 16 Hill Street, St. Helier, Jersey, Channel Islands.
Richard Keith Timberlake, *Managing Director, Schlesinger Trust Managers Limited.* Emley Hill House, Bowlhead Green, Nr. Godalming, Surrey.

INTRODUCTION

The Company has been established to provide residents of the Scheduled Territories with an opportunity to invest in a managed portfolio which is international in scope. The Company's principal investment objective is capital growth.

The Company is open-ended, that is to say it is able to issue and redeem Shares at prices based on net asset value.

It is the Directors' present intention to invest a high proportion of the Company's assets through the medium of Schlesinger International Fund (Luxembourg) S.A. ("SIL"). SIL is an open-ended investment company incorporated in Luxembourg which has investment objectives similar to those of the Company. The fact that the Company invests through the medium of SIL does not cause any duplication of preliminary or management charges.

Shareholders will receive the Schlesinger "PIMS" service, designed specifically for investors of £2,500 to £100,000 and over. This exclusive "PIMS" Personal Investment Management Service includes regular investment reports, valuations and informal meetings with the Managers in Jersey and other centres.

INVESTMENT POLICY

The Company

Because the different stock markets of the world do not move exactly in phase with one another, it is not the intention to provide a permanent wide spread of investments between countries, but to choose and emphasise those markets which the Directors consider offer the greatest investment opportunities at any one time. The Company aims to achieve medium to long term capital growth by investing, directly or indirectly, in a diversified range of international securities, including ordinary shares, convertibles, preference stocks, government and corporate bonds, warrants and options, and gold bullion.

The day-to-day investment management of the Company and SIL is in the hands of Schlesinger Fund Managers (Jersey) Limited (the "Managers"), part of the Schlesinger group of companies. The group has over 60 years of experience in banking, insurance, property and related financial services and manages assets in the United Kingdom of some £100 million. As part of its declared objective to provide a wide range of inter-related financial services in Europe and the United Kingdom, the group has established a number of companies, including the Managers, to provide investment services for larger private investors, institutions and pension funds.

Schlesinger International Fund (Luxembourg) S.A.

Investment in SIL is made in U.S. dollars and its shares are, on issue, listed on The Luxembourg Stock Exchange.

Although the Articles of Incorporation of SIL contain no investment restrictions, the Directors of SIL have adopted and intend to follow the following investment policy:—

no more than 10 per cent. of the portfolio will be invested in any one security or in securities of any one company;
there will normally be at least 20 stocks in the portfolio at any one time to give a diversification of risk;
so as to achieve a degree of geographical diversification no more than 75 per cent. of the portfolio will normally be invested in securities issued by companies incorporated in any one country, although it is fundamental to the approach of the Directors of SIL to emphasise that market which, in their judgment, offers the most attractive investment values relative to risk exposure;
no more than 5 per cent. of the portfolio will be invested in unlisted securities;
SIL will not purchase or otherwise acquire shares or interests in mutual funds or investment companies;
SIL will not purchase real estate; and
SIL will not enter into transactions involving commodities, commodity contracts or securities representing merchandise or rights to merchandise. This policy does not restrict SIL from acquiring and holding gold bullion.

However, SIL will not be obliged to make changes in its investments because the limits referred to above are exceeded as a result only of changes in market values, repurchases of its shares or any scheme of amalgamation, reconstruction or conversion affecting investments held by SIL. It is the intention that the assets of SIL be invested principally in shares or other securities.

The Directors of the Company have adopted and intend to follow a comparable investment policy in relation to the portfolios of the Company and SIL taken together (save for the foreign currency loan mentioned below and any investment by the Company in SIL and excluding the three last-mentioned restrictions).

Foreign currency loan facilities

The Company has negotiated a foreign currency loan facility with Midland Bank Trust Corporation (Jersey) Limited. This will be drawn down in tranches as required, against the deposit of sterling assets of the Company in such a way as to minimise equity portfolio gearing. However, at times of an anticipated fall in sterling interest rates, the Directors will seek to neutralise the loan facility gearing, not by back-to-back deposits, but by investing in British Government and comparable fixed interest securities, which at such times not only normally offer a higher interest yield than that obtainable from deposits, but also offer prospects of capital gain.

At present, investment via the dollar premium involves some 35 to 40 per cent. of any such investment being tied up in the premium rather than in the purchase of stocks and shares. The Directors believe this to be a high risk investment, and it is their present policy to avoid purchasing through the premium market to the maximum possible extent. The use of the foreign currency loan facility enables the Company to achieve this objective. In addition, the use of the foreign currency loan facility largely avoids the costly 25 per cent. surrender rule.

In managing the foreign currency loan facility:—

the Directors take a conservative attitude towards equity portfolio gearing;
the "115 per cent. rule" (see under "Borrowing Arrangements—Bank of England requirements" below) relating to foreign currency asset cover is checked daily;
any deficit arising on the loan will normally be neutralised by the immediate acquisition of investment currency.

Should the dollar premium fall substantially in the future, the Directors may elect to invest largely through the premium market rather than by means of foreign currency loans, having due regard for exchange and interest rate considerations.

The Schlesinger investment approach

The portfolios of the Company and SIL taken together will be managed according to the established Schlesinger approach of:—

- active and flexible management;
- an emphasis on quality stocks with a concentration on major market capitalisation stocks for the greater part of the portfolio;
- an emphasis on fundamental investment values, rather than short term market movements;
- a concentrated portfolio—not less than 20 nor more than 60 Stocks in normal circumstances;
- a close assessment of risks as a principal factor in formulating strategy—whilst equities and risk cannot be dissociated, considerable importance is attached to the avoidance of unnecessary risk; and
- a conservative attitude towards equity portfolio gearing—although the Directors of the Company and SIL are empowered to borrow (in relation to the Company see "Provisions of the Articles of Association" below) with a view to enhancing investment results in strong stock market conditions, it is not the intention to make use of these powers in the immediately foreseeable future. The borrowing policy of SIL is similar to the borrowing powers of the Company.

The initial portfolio

The Directors of SIL intend that the initial underlying portfolio will be invested as to some 60 per cent. in the ordinary or common stock of companies incorporated and carrying on business in the United States of America with the balance invested in Japan, Germany, France, Holland, Canada, Australia, Hong Kong, South Africa and the United Kingdom and also in international mining companies.

Taking a medium term view the Directors of SIL and the Company are initially strongly favouring investment in the USA for the following reasons:—

- the dollar is considered fundamentally sound;
- the administration is seeking, by expansionist policies (including a large budget deficit), to move the economy out of the current recession;
- the rate of inflation in the USA is expected to decline further in 1975–76, having already fallen significantly. Leading economists are estimating an inflation rate of 5 per cent. to 6 per cent. per annum, on an annualised basis, by early 1976;
- interest rates have declined over the last year;
- the USA is 100 per cent. self sufficient in food and many basic raw materials and 60 per cent. in oil; and
- both political parties and the labour unions are committed to a capitalist economy.

Prospectus

Copies of these particulars and, on and after 14th August, 1975, the continuous prospectus to be issued by the Company together with application forms, may be obtained from the registered office of the Company, from the Company's investment advisers, Schlesinger Investment Management Services Limited, 19 Hanover Square, London W1A 1DU, and from the brokers to the issue.

INVESTMENT MANAGEMENT

The Directors are responsible for the Company's overall investment policy. The Company has, however, entered into an Agreement (Contract No. 1 below) with the Managers under which the Managers have been appointed to manage the Company's investments, to sell and purchase and promote the sale and purchase of its Shares and to provide general administrative services, particularly in connection with the keeping of records and the issue and redemption of Shares.

As mentioned above, the Directors at present intend to invest a high proportion of the Company's assets available for investment in shares of SIL. However, it may in the future be in the best interests of shareholders of the Company to sell some or all of these shares or not to make further investments in SIL and to invest elsewhere. With this in mind, the Company has appointed the Managers to manage the investment and re-investment of the Company's assets.

In consideration for the services performed by them under the management agreement, the Managers are entitled to receive and retain a maximum 5 per cent. preliminary charge made on the issue of Shares in the Company. The Managers may also buy and sell Shares in the Company as principals for their own account. No preliminary charge will be paid by the Company in respect of the Company's investment in SIL. The Managers may also buy and sell shares in SIL as principals for their own account and may deal in such shares with the Company; in doing so they must take account of the Company's entitlement to relief from preliminary charge mentioned above.

No management fee will be paid by the Company in respect of the Company's investment in SIL. If and to the extent that the assets of the Company are not invested in SIL, the Managers will also receive a quarterly fee equal to ¼ per cent. of the average of the daily values during the relevant period of the consolidated investment portfolio of the Company calculated on an offered basis (see under "Valuation, Sales and Purchases" below) less the daily average of its consolidated liabilities during such period other than liabilities in respect of portfolio investment loans. The investment portfolio for this purpose will include cash except any cash or deposits which are required to be deposited or lent by the Company in connection with the making available or maintenance of any borrowing in favour of the Company. The fee will be taken in respect of assets so deposited or lent to the extent they comprise British Government and comparable fixed interest securities. The effect of this is that the Managers take a fee from the Company in respect of portfolio gearing but not in respect of cash deposits made in connection with borrowings of the type described under "Foreign currency loan facilities" above. SIL has appointed the Managers to manage its investments on similar terms, for preliminary charges and a fee at the same rate, calculated on the consolidated investment portfolio of SIL less its consolidated liabilities other than in respect of portfolio investment loans.

Out of their fee the Managers will meet all expenses of providing investment management and advice, including any sums paid to Schlesinger Investment Management Services Limited, who have been appointed to act as investment advisers in relation to the affairs of both the Company and SIL (Contract No. 2 below), the cost of preparation of the PIMS Personal Investment Management Service reports (which will be sent to shareholders) and the Managers' costs of the regular PIMS meetings.

SHARE CAPITAL ISSUED OR TO BE ISSUED

On 7th August, 1975, 100 Founders' Shares (see below) were issued by the Company to the Managers for cash at par. On 13th August, 1975, 500,000 Shares are to be issued at a subscription price of £1 per Share, inclusive of the preliminary charge (at the rate of 4.75p per Share) payable to the Managers. These Shares will be placed in London.

Pursuant to a resolution of the Directors, further Shares will be made available for subscription on any business day commencing 18th August, 1975, on the terms of the Company's prospectus for the time being current, to raise, together with the amount to be raised on the placing, an aggregate £5,000,000. Any balance of the authorised share capital will in due course be made similarly available subject to the appropriate consents of H. M. Treasury and the Finance and Economics Committee of the States of Jersey being applied for and obtained. The price at which such Shares will be issued will be calculated as provided in the Company's Articles of Association. Further particulars of this and of sales by the Managers to satisfy applications are set out below under the heading "Valuation, Sales and Purchases". Applications will normally be satisfied at the offer price per Share advertised on the day they are received by the Managers (see "Valuation, Sales and Purchases" below) and should be for a minimum investment of £2,500.

No share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option. No commissions, discounts, brokerages or other special terms have been or are proposed to be granted by the Company in respect of the issue or sale to any person of its capital. Except as mentioned in this document, no capital of the Company has been issued or is proposed to be issued.

The rights attaching to the various classes of shares of the Company are set out below under the heading "Corporate Structure".

HOW TO REALISE SHARES

Shares may generally be realised on any business day by delivery to the Managers of the relative Share Certificate(s) with the form(s) of request on the back of the Certificate(s) duly completed. Requests may also be sent to Schlesinger Investment Management Services Limited, 19 Hanover Square, London W1A 1DU, who will forward them to the Managers. Requests received in London will be deemed to be received in Jersey on the same day. Requests will normally be satisfied at the bid price per Share advertised on the day they are received by the Managers (see "Valuation, Sales and Purchases" below).

Payment on realisation will be effected in sterling by cheque posted at the shareholder's risk to him or his nominated agent normally within 15 days after the receipt of the endorsed Certificate.

DIVIDEND POLICY

As stated above, the Company's investment objective is capital growth. As a result the portfolio yield will tend to be low. However, it is intended that the whole of the distributable net income of the Company (which will not include surpluses arising from the realisation of investments) will be distributed annually in the month of October, save that no distribution will be made before October, 1976. In current conditions the net cost of foreign currency borrowing and administration expenses will absorb a substantial proportion of the Company's income. Although distributions should increase in the long term, they will be particularly dependent on the proportions of the assets of the Company and SIL which are held in cash and on the level of interest rates.

SHARE EXCHANGE AND WITHDRAWAL SCHEMES

The Company operates a share exchange scheme, whereby existing investments in listed companies can be exchanged for Shares, and a withdrawal scheme whereby a few Shares are encashed at regular intervals to supplement spendable income. Withdrawals under the latter scheme are usually made by a fixed percentage of a shareholder's investment being encashed on 1st March and 1st September in each year and paid out 15 days later.

PIMS SERVICE

Shareholders will receive the Schlesinger "PIMS" service, designed specifically for investors of £2,500 to £100,000 and over. This exclusive "PIMS" Personal Investment Management Service includes regular reports and valuations together with a view of investment results and changes in the Company's portfolio. Shareholders will be invited to regular investment meetings in Jersey and in other international centres, at which current investment conditions will be discussed and questions answered.

REPORT OF THE AUDITORS OF THE COMPANY

The Directors,
SCHLESINGER INTERNATIONAL FUND (JERSEY) LIMITED.

Caversham House,
19 Queen Street,
St. Helier,
Jersey, C.I.
7th August, 1975.

Dear Sirs,

Your Company was incorporated under the laws of Jersey on 1st August, 1975. As at the date of this letter it has not traded and no accounts have been prepared and no dividends paid.

Yours faithfully,
PEAT, MARWICK, MITCHELL & CO.,
Chartered Accountants.

TAXATION

The Company

The Company is resident in Jersey for tax purposes. Jersey does not levy a capital gains tax, estate duty, inheritance tax or value added tax. Special provisions for Jersey were negotiated in connection with the United Kingdom's entry into the E.E.C. Under the arrangements concluded none of the fiscal provisions in the Treaty of Rome will apply to the Channel Islands and there will be no obligation to follow any harmonisation of taxation which the Community might adopt.

The Company's net income will be subject to Jersey Income tax, currently at the rate of 20 per cent. The Comptroller of Income Tax in Jersey has also agreed that full relief will be obtained for interest paid by the Company on the loan facility referred to below.

Dividends paid by the Company will be subject to deduction at source of Jersey income tax (currently at the rate of 20 per cent.), which the Company may retain against its own liability to Jersey income tax.

هكذا من الاصل

Work on battery vehicles has stepped up considerably this year. But, argues **Peter Foster**, any breakthrough is still a long way off

Slow progress along the electric road

ELECTRIC VEHICLES have enjoyed a burst of popularity, at least as a theoretical concept; since the oil producing countries sent shudders through the collective spine of the motor manufacturers towards the end of 1973. The case of their proponents, arguing on the grounds of preventing pollution and conserving declining resources, was enhanced overnight by the massive oil price increases and the prospect of sudden shut-offs of supplies in the future.

This year has seen a great deal of activity in the electric vehicle field in the U.K. with both the Lucas and Chloride electric buses going into operation with the Greater Manchester Transport Authority, the Electricity Council taking delivery of the first batch of 61 Enfield Electric cars, the National Bus Company preparing a bus for trials, and a stepping up of work in the electric van field.

Well behind

This is not to say, however, that the dawn of a new age of battery traction is about to break. In terms of cost, performance and range, electric vehicles remain well behind their petrol and diesel counterparts, while pollution and energy arguments tend to lose a good deal of weight in the light of cold analysis.

Battery technology still awaits the "breakthrough" which will make electric vehicles competitive in cost terms. For the traditional lead/acid battery—which has been around for more than 100 years—remains the only viable means of power, with all its bulk and weight disadvantages. The foreseeable alternatives of either metal/air or high temperature batteries remain prohibitive in terms of cost and/or safety.

Perhaps the most controversial experiment now under way is the investment by the Electricity Council in 61 Enfield 8000 electric cars. Because of electric cars' limitations of range and the timing of use—the Enfield 8000's battery takes eight hours to recharge—the private car has been considered the vehicle least suited to electric conversion.

Range

Despite claims by both the manufacturers and the Council that larger-scale production could lead to economies, it is arguable whether the scope for cost saving could be great enough to make a two-seater vehicle competitive when it offers a top speed of 40 m.p.h. and a maximum range, under ideal conditions, of 50 miles—and costs £2,106 as a car and £2,214 in its van version (including VAT and tax).

At the other end of the scale, the National Bus Company now has a bus ready for testing. The interesting feature about the NBC experiment is that it has gone for the same "trailer-battery" concept adopted by the German GES consortium in München Gladbach and Düsseldorf. National Bus has in fact bought similar German equipment, although the chassis is the Leyland National. The NBC bus will have range restrictions not suffered by its German counterparts, however, since it does not have the "infrastructure" of speedy battery changing facilities of the German set-up.

One of the German GES consortium's electric buses in service. In Britain, the National Bus Company is experimenting with a similar "trailer-battery" vehicle, using German equipment but based on a Leyland National chassis.

The systematic approach adopted by the GES bears examination since it contrasts starkly with the higgledy-piggledy approach adopted on this side of the Channel. The German consortium, which was organised under the aegis of the Rhine-Westphalia Electricity Authority, is intended to bring together a number of specialists, each of which would provide knowledge relevant to the setting up of an overall electric bus system. Thus Varta provided the battery technology, MAN the body and chassis, Bosch and Siemens the controls, Brown Boveri the chargers and Hoesch the trailers.

The consortium set itself a demanding task but carried it out with efficiency, and there are now 20 buses operating in München Gladbach. The battery change facilities are among the outstanding features of the system: the operation can be carried out in a few minutes at a sophisticated automatic changing station, thus enabling the most hard-worked bus to operate for 19½ hours a day and to cover 340 kilometres. Another feature of note is the involvement of both local and Federal Government through the Ministries of Internal Affairs and Technology, in strict contrast to the exhortatory but non-financial approach of the British Government.

While the German consortium has been pushing ahead, there have also been other developments in the U.K. this year with the arrival in service of the Chloride and Lucas buses in Manchester. Both vehicles have encountered technical problems, although their sponsors stress that these were expected and that it is only by service operation that true advances can be made.

For all the recent U.K. activity, however, an examination of the history of electric vehicles tends to highlight the relative lack of advance since 1900. There were 50-seater electric buses operating in Berlin, Paris, New York and London by the turn of the century, when an electric vehicle held the world land speed record. Queen Victoria is even reported to have encouraged the use of battery-powered town carriages but, since then, electric vehicles have enjoyed only brief sorties from the museum as the internal combustion engine spread throughout the world.

Battery vehicles have retained a position in certain specialised areas of the mechanical handling and transport markets. The exhaust-free qualities of the electric fort-lift truck are at a premium in the confined space of factories, while the milk float's lack of speed over a restricted route is no problem and its quietness fits in well with early morning deliveries.

Studies

Hopes of an electric vehicle revival were raised during the 1960s with developments in fuel cell technology, but the final breakthrough never came and many companies retired with their bank balances severely depleted. Again, in the wake of the energy crisis, respected bodies such as Lord Rothschild's "Think Tank" suggested that electric vehicles might hold the answer to our transport problems. But experiences so far in the U.K. and elsewhere do not hold out a great deal of hope.

Two studies published last year by the Transport and Research Laboratory pointed out that even a widening of differential fuel costs to four times their present levels would not in itself be sufficient to gain the widespread use of battery vehicles. They also stressed that advances as a result of improvements in lead/acid and sodium/sulphur battery technology should only be considered as short-term insurance against fuel supply disruptions rather than long-term alternatives. The most promising areas of a not very promising market were considered to be buses and light vans, while little hope of any viable development of the private car was put forward.

A number of cost comparisons has been made, but cases where electric vehicle costs are shown to be in any way competitive are usually based on low annual rates of depreciation due to the longer life of an electric vehicle, while performance and range limitations are not usually included in the calculation.

Probably the most reliable comparative cost estimates so far for electric buses have come from the experiment in München Gladbach and Düsseldorf, where vehicles with similar performance to diesel buses are run over a full and demanding route. According to Varta, the battery manufacturers, total costs per kilometre for the electric vehicles are DM1.90, compared with DM1.50 for the diesel. However, DM1 of this represents the driver, so the buses are 80 per cent. more expensive than their diesel counterparts over the relevant cost range, while the operation's target cost of DM1.65 still leaves it 30 per cent. behind the diesel.

In Germany, as in the U.K., there is no tax on stage-bus fuel, but although the Government could render electric buses more attractive via taxation, this would only be at the expense of higher fares unless another form of subsidy was substituted for the fuel rebate.

Cobwebs

The two midi-buses operated by the Department of Industry in Leeds several years ago are now gathering cobwebs following operators' lack of interest. The Department's experiments, however, highlighted several features about the electric bus that only serve to underline the amount of work still to be done in its development. For example, heating has to be supplied from a subsidiary fuel-burning power source since there is no surplus heat available. Again, and unlike the milkman's float, the high-pitched whine from the electric motors was sufficient to cause passenger discomfort. Technological problems encountered included the fact that regenerative braking, which is needed for economic operation, tended to grind away the rear axle.

The German GES experiment makes a strong case for greater co-ordination of U.K. schemes but even if this were to happen the evidence available suggests that both the electric car and bus are likely to remain on Britain's transport sidelines for at least the remainder of the century.

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SATURDAY, AUGUST 9, 1975

Bottlenecks ahead

THE DULLNESS of the equity market this week has been due to a slackening of demand connected with the weakness of gilt-edged prices. This in turn *has been caused by the continued downward drift of the sterling exchange rate, against* the dollar rather than against *currencies in general, and the* fear that interest rates may have to be pushed higher still in order to keep sterling balances in London.

The current strength of the dollar exchange rate is a result of the fact that, while the U.S. economy appears to have touched the bottom of its recession, the U.S. trade figures are very much better than earlier expected and the monetary authorities are still allowing interest rates to harden. Whether this hardening is a temporary or a continuing phenomenon is a question to which nobody has a certain answer, but it is having inevitable repercussions on rates in other financial centres. And it has certainly not come to an end yet: the U.S. Treasury bill rate rose further this week and *more leading U.S. banks have* raised their prime lending rates.

Interest rates

The strength of the dollar *exchange rate is an embarrassment* to the U.K. authorities, who are probably prepared to let the pound float further down against currencies in general to maintain the competitive position of our exports but fear that too sharp a depreciation against the dollar might influence the holders of sterling balances. Their answer so far has been to bring about a sharp rise in short-term interest rates. The clearing banks raised their base rates this week following the 1 per cent. increase in minimum lending rate, though by only ½ per cent., and the gilt-edged market has been depressed by fear that *minimum lending rate would be* raised still further. In the event, Treasury bill rate rose too little yesterday to produce a further rise in MLR, but other leading U.S. banks have raised their prime lending rates and the outlook for interest rates remains unsettled.

Although most industry in this country is still too pessimistic about the future to be giving much thought to immediate new investment in capital equipment—the figures derived from the latest CBI industrial survey suggest that capital investment may drop further in 1976 after a sharp *fall this year—the Government* must nevertheless be anxious *that overseas considerations* do not force interest rates up to an unnecessarily high level. The CBI survey makes the specific points that there is still a marked shortage of skilled labour despite the high level of unemployment and that some investment is still being held back by a shortage of retained profits.

State help

Both on the labour and the capital investment fronts, therefore, it is not too early to begin thinking about the risk of bottlenecks developing as soon as world trade revives and de*mand for the output of U.K.* industry picks up. The tempor*ary employment premium*, which will be worth £10 a week *per head to firms in assisted* areas which keep on employees they would otherwise have made redundant, may do a little to ease future labour problems, but a much greater retraining effort is urgently needed. As for investment with the help of public funds, there seems to have been a definite shift in emphasis towards profitability since Mr. Varley replaced Mr. Benn.

It is true that a decision about closing the steelworks at Shot*ton has again been postponed* and that another £17m. has been handed over to Govan Shipbuilders, the successor to UCS. But the go-ahead has been given to various steel closures in Scotland; the loan to Govan is conditional on an early return to profitability, and the £45m. of loans announced this week to the ferrous foundry and machine tool industries are both selective and strictly dependent on commercial criteria being satisfied. The discussion paper issued on planning agreements visualises the reaching of only *some 100 agreements over the* next five years, and a reorganisation of the Treasury this week will provide for more Treasury supervision over assistance to industry. It seems reasonable to assume, therefore, that the Government will continue to be aware—in its use of the Price Code, for example—of the close connection between investment and profitability.

This week ends with Britain not too far off the two-dollar pound. **William Keegan explains . . .**

Why sterling wilted in the summer heatwave

PEOPLE CAN talk themselves silly about the problems of the British economy without necessarily making themselves or their diminishing audiences any the wiser. But when they find in mid-hot-August that the pound buys not the 13 francs at the back of their mind but the nine on the clearing bank counter, something begins to register, somewhere.

The real reason for the decline in the pound's purchasing power since one's last foreign holiday is quite simply the faster rate at which we in this country have been depreciating the value of money. There are many goods and services which are not traded internationally and do not necessarily affect the exchange rate; but, fundamentally, if we are printing pounds faster than other countries are printing dollars or francs, without the goods to back up these paper claims, then something has to give.

There are various ways in which fundamentals can be distorted or hidden from view; but eventually the veils are likely to be torn off, if not by us then by overseas bankers. In the mid-1960s the effect on the pound's value of the U.K.'s higher inflation rate was hidden for several years by large overseas loans which enabled the country to prop up the value of sterling before the eventual devaluation in late 1967.

More recently, we have experienced the inflationary explosion associated both with the "Barber boom" and the subsequent Labour Government's reluctance to stem trade union wage demands until they were forced to. This is not to say that U.K. inflation has just been caused by trade unions. It has resulted both from the granting of wage increases way in excess of increments in productivity, and from Government expenditure plans which placed intolerable burdens on limited resources.

Money supply

The U.K.'s inflationary spending spree has been manifested in the rapid expansion of money supply — coins, notes or bank deposits — which has spilled over into imports, and the balance of payments deficit. Since December, 1971, the value of the pound in terms of an *average of other leading currencies* — weighted for their *importance in world trade*— has dropped some 28 per cent., a figure which puts into perspective the trauma of the much-delayed 14 per cent. devaluation of 1967.

This reduction has on the whole been regarded by U.K. monetary officials as the inevitable and desirable adjustment of the pound's value to reflect our differing — that is, much higher — inflation rate. There are some officials and Ministers *who regard any depreciation of* the pound as a bad thing; and there are others whose intellectual position perhaps tempts them to adopt an almost lackadaisical attitude towards the *decline of sterling. It is one* thing to acknowledge that an *exchange rate should not be* shored up by artificial and *eventually shifting sands; it is* another to say: "Forget the inflation rate, we can always let sterling slide to compensate."

The recent slide in sterling which holidaymakers are experiencing to their cost—and Londoners, to their discomfort, by way of the unprecedented influx of foreign tourists—derives from the basic need to allow sterling's value to reflect the underlying decline in its purchasing power. In the absence of such an adjustment, the pound and therefore British exports would have become increasingly uncompetitive in world markets, thereby making the overseas trade deficit even worse in the long term. This was the background to the deliberate connivance by the U.K. authorities at the sudden drop in sterling's weighted value from 21 per cent. to 25 per cent. below December 1971 levels in the early part of this summer.

Gnomes of Zurich

Considerations of competitiveness apart, however, one must occasionally put oneself in the position of those who are financing the trade deficit—in particular the oil-producing countries whose holdings of sterling in London at the last count amounted to \$7¾bn. out of the \$10¼bn. overseas official sterling balances; most of that \$7¾bn. has been built up since the quadrupling of the oil price at the end of 1973/early 1974.

Towards the end of June these countries became very apprehensive about the rate of decline in the value of the sterling they had invested in. It is ironic that although the oil producers have assumed the role of bogeymen once not enjoyed by the gnomes of Zurich, the run on sterling at the end of June was not prompted by them. After the *hiatus caused by the referendum, the run on sterling was the result of a crisis of confidence* among a myriad of sterling holders, not least the big international companies whose main language is not Arabic.

This crisis of confidence stemmed from growing concern about U.K. wage inflation and the apparent debility of U.K. anti-inflationary policy. The fact that money supply growth was slowing down sharply and unemployment mounting, was *neither here nor there.* There was something alarming both about the U.K.'s inflation rate—in the 25 per cent. region—and *about the apparently passive* acceptance of 30 per cent. as the going rate for wage settlements, with the implication this had for future price increases.

By mid-June the run on sterling had developed into a canter. What began to worry the U.K. authorities was that it might become an all-out gallop. In particular, the prospect of sudden withdrawals of oil producers' funds was treated with anything but equanimity. By the time the effective deprecia*tion of sterling had sunk to 29.3* per cent.—and some OPEC holders, including Kuwait, had begun to crack their whips — fears about a catastrophic slide in sterling's value were expressed by the Governor of the Bank of England and Treasury officials.

So the incomes policy was foreshadowed at the beginning of the month and its bones, if not all its flesh, were later unveiled on July 11. There were fears that because the policy was noticeably less statutory than Mr. Healey, the Chancellor, had wanted, the exchange markets might not be too kind in their reaction. In fact, the markets appeared to give the U.K. Government the benefit of the doubt. Certainly, the combination of the incomes policy, the tight monetary situation and rapidly rising unemployment—as shown by the July figures—suggested *that a* determined anti-inflationary stance had at last been taken.

This favourable reaction was immediately in evidence in the movement of the rate of exchange between the pound and the leading EEC currencies. Indeed, sterling at one stage in late July strengthened to around 25¼ per cent. below December, 1971, levels—compared with 29 per cent. at the beginning of the month: and while other countries' currencies were losing ground rapidly to the dollar, the pound stayed for much of July in the \$2.17 to \$2.20 range.

Suddenly the pound has plunged in a matter of days to just above the \$2.10 level and, strongly influenced by the sterling/dollar movement, the weighted average depreciation has come back to 27.9 per cent. This has evoked great concern in some quarters of the City, and there are those who draw the obvious conclusion that we are not far from a two-dollar pound.

The main reason for this latest decline is not so much a *lack of faith in U.K. anti-inflation policy: foreign exchange operators tend to have* more trust than we credit. It is that there is a limit to which sterling can be protected from the strong rise in the dollar against all leading currencies.

For the dollar's resurgence has been dramatic even by the criteria of normal journalistic epithets. Between the beginning of July and this week its devaluation against other currencies has dropped from nearly 6 per cent. below December 1971 levels to under 2¼ per cent. This stems from renewed faith in the U.S. economy as a result of that country's fairly convincing attack on inflation, and the many indications that the U.S. *can now see light at the end* of its recessionary tunnel.

During most of July, the pound was insulated from the forces pushing up the dollar for one simple reason: over \$1bn. a month of tax and royalty payments to OPEC countries are made in sterling and, while a lot of this comprises pounds already in the hands of U.K.-owned companies, hundreds of millions of dollars worth had to be purchased by U.S.-owned and other oil companies during the month, and this had a major impact on the dollar/sterling rate.

But these normal seasonal purchases came to a halt towards the end of July. What is more, since then the OPEC countries receiving the sterling have been switching much of it into other currencies as part of their normal spending and investment policies. In general, while not exactly rushing out of sterling, OPEC countries are tending to leave less extra funds deposited in London than they did last year. They are earning less and spending more, so that their investable surplus is down from some \$60bn. to \$40bn.

Even *though it can be stated* on the best authority that *OPEC countries in the past few weeks have not been significant net sellers of sterling*, a crucial problem has cropped up which has definite implications for all holders of sterling. This is that the somewhat intangible renewal of confidence in the dollar has been accompanied by a more concrete development: increases in U.S. interest rates, which narrow the differential between New York and London rates, and make London a comparatively less attractive centre.

Stringent targets

Short-term interest rates tend to rise as the demand for loans increases when a country emerges from recession. But this time the principal influence appears to have been the desire of the U.S. central bank—the Fed—to engineer an increase in interest rates because money supply growth in mid-summer was exceeding the Fed's stringent targets.

In the absence of the special factors boosting the pound in July, the interest rate movement has played an important part in the decline of the sterling/dollar rate. This has had repercussions on the pound's movements against other currencies, with the result that some of the past month's recovery against currencies such as the French franc and the German Mark has been lost. But *this in itself has not* worried the U.K. authorities *too much—indeed, there were* fears that the earlier recovery *was threatening to erode the* competitive edge gained against *these currencies.*

It is the sterling/dollar rate which is the *embarrassment, in* particular because New York is the main alternative to London for OPEC countries to invest their surplus funds. Even many of the arch believers in the almost continuous devaluation of the pound have been concerned about the recent dollar/sterling movement.

Not at crisis point

The point has been made that so far the U.K. authorities have been facing fears and threats of OPEC withdrawals of funds rather than actual losses. The last threat prompted the Bank of England—whose contacts with the OPEC countries are by no means casual—to raise its Minimum Lending Rate by a full percentage point *to 11* per cent. a fortnight ago. The fact *that MLR was allowed to* remain unchanged yesterday *underlines the point that so far*, despite the level of the sterling/dollar rate, the situation has not developed into a crisis.

If the competition from New York becomes more serious, the *U.K. authorities have limited* options. They can raise interest rates in order to go on attracting OPEC funds—or to avoid losing them; but against this there is a limit to which they want domestic interest rates to rise during the current recession, when the Bank of England is anxious to encourage companies not to cut back on industrial investment too much.

They could—as some experts in the City have suggested—introduce exchange rate guarantees for OPEC holders — on the lines of the old sterling *area guarantees. Another* option would be to ride the *situation out, hope that the* sterling/dollar situation will not look so bad in the near future, and meanwhile rely on a combination of reassurances to OPEC countries, and the use of the foreign exchange swap facilities with the New York Federal Reserve to tide them over fluctuations. They have certainly been intervening to support the rate in the market this week.

Opponents of exchange guarantees point to the cost of the previous ones—which were augmented at the time by fairly high interest rates anyway—and to the fact, or belief, that it is really not in the interests of OPEC countries to withdraw large sums of money all at once, because of the effect that has on the value of their remaining holdings. But there is an *intensive debate going on about* this, at a time when most of *the participants would like to* be away from it all spending *their depreciating pounds.*

THE FALL IN THE POUND SINCE 1967

	August 8 1975	March 16 1973	June 22 1972	Dec. 17 1971	Nov. 17 1967
Australia—\$A	1.63	1.74	2.16	2.15	2.51
Austria—Sch.	38.35	50.15	59.35	59.88	71.88
Belgium/Luxemb'rg—Fr.	80.60	96.90	114.23	115.10	138.03
Canada—\$	2.18	2.45	2.53	2.52	2.98
Denmark—Kr.	12.53	15.07	18.21	18.13	19.31
Finland—Mk.	7.97	9.53	10.65	10.36	11.63
France—Fr.	9.22	11.11	13.04	13.89	13.63
Ireland—£	1.00	1.00	1.00	1.00	1.00
Italy—Lr.	1,409	1,409	1,510	1,516	1,729
Japan—Yen	627	640	778	796	1,000
Netherlands—Fl.	5.57	7.18	8.27	8.28	9.99
New Zealand—\$	1.67	1.85	2.16	2.14	2.81
Norway—Kr.	11.48	14.50	16.96	17.02	19.90
Portugal—Esc.	55.45	57.00	69.48	68.50	80.20
S. Africa—Rand	1.50	1.74	1.95	1.79	2.00
Spain—Pta.	122.7	141.75	166.00	168.50	166.75
Sweden—Kr.	9.07	10.86	12.25	12.36	14.38
Switzerland—Fr.	5.66	7.97	9.72	9.80	12.00
W. Germany—DM	5.43	6.93	8.21	8.24	11.06
U.S.—\$	2.10	2.46	2.58	2.53	2.78

London middle market rates rounded. The March 16 1973 rates precede the start of the joint float by operation EEC and associated currencies on March 19. The June 1972 rates pre-date the current floating of sterling. The December 17 1971 rates precede the Smithsonian currency agreement. The November 17 1967 rates precede the 14.3 per cent. sterling devaluation against the dollar.

Letters to the Editor

Overmanning

From Mr. D. Hill

Sir,—What struck me in the reports on the 1m. unemployed was that one-third of them were well over 60. If this is correct it does suggest another way of dealing with unemployment. Quite simply this is to reduce the retirement age when conditions are as at the moment and to raise it when there is a period of high demand for labour.

If the retirement age for payment of the national insurance pension and other pensions pay*able at present at 65 was re*duced to 63 this might remove enough people from the labour pool to make a large dent in the unemployment figures and reduce or eliminate completely any pressure for early reflation of the economy. Progressive reductions to age 60 in periods of depression in the future would probably fit in well with long term trade union objectives.

As for the employment of workers up to a higher age in *periods of boom, this would call* for a revolution in the approach of the tax authorities to ensure that the earnings obtained could be added to an existing pension and not subject to penal tax rates. Perhaps taxation of a pension and of wages should each be subject to an initial *abatement in the same way as* husband's and wife's earnings *are at the present time.*

Unemployed

In my suggestion I have assumed that virtually all executive level employees retire at 60 in any event and it would not be necessary to include such people in any scheme. Those retired persons over 60 who sign on as unemployed to ensure they keep up their contributions for the *national* insurance pension, should be identified as such and taken out of the unemployed category. If a change in taxation encourages such people to take up lower level employment at times of boom in the future so much the better.

If the reports of overmanning in industry are correct, *then* removing the 63 and 64 year olds from *employment* would have absolutely no impact on the level of output.

D. W. R. Hill.
c/o ECA.
P.O. Box 3005, Addis Ababa, Ethiopia.

Floating rates

From Mr. H. Meulen.

Sir,—Mr. Chowdharay - Best (August 4) fears that floating rates may worsen the situation because large firms may raise their export prices to match the *gain that the foreigner makes* when the pound falls. But whether the exporter increases his prices, or sells more at the old price, the effect must be to increase the country's earnings from abroad, and thus tend to restore the balance of payments.

Several critics point out that our export situation has worsened since the abandonment of fixed rates. They should be reminded that (1) No country has freely floating rates to-day: in every country the government goes into the money market to buy or sell currencies in order to make the market rate move in the direction the government *thinks that the rate should move:* this negates the whole idea of floating rates: (2) There are many reasons why a country's exports may lag. All we say is that when our foreign trade is out of balance, adjustment of the exchange rate is a more effective, speedier and less pain*ful corrective than the credit* squeeze now generally used.

Floating rates merely ensure that the country does not get into debt with foreign countries —unchecked debt leads to bankruptcy and poverty. If we do not produce what the foreigner wants, at a price that *he is willing to pay, we must* resign ourselves to being poor. But what *shall we say of* an attempt to help a poor country *by preventing it from producing* with a credit squeeze?

The two grave disadvantages of a fixed gold price are (1) Any price rise here is followed by cheaper imports in exchange for our legally cheapened gold, and this drain *of gold* can be checked only by a credit squeeze: (2) Any *foreign* country that wants gold can raid our gold *reserves*, and our only defence is again a credit squeeze. A floating gold price would enable trade to be conducted through convertible notes, with all the benefits flowing from that system. This is a far more im*portant subject than floating* exchange rates: but it is rarely discussed.

Mr. Page (also August 4) blames floating exchange rates for encouraging wage demands. I see no connection between the two. Labour will continue to demand higher wages whenever it thinks its demand will be met, whether we have fixed or floating rates. He is also troubled *at the expense of resort to a* futures market. But the alternative to freely floating rates and a free futures market is a state-fixed rate, enforced by credit restriction, which invariably produces a crop of bankruptcies among *firms that were previously* doing well. When an importer wishes to buy, there must be many occasions when he would prefer to pay a higher rate for *foreign currency, rather than be* prevented altogether from buying because credit is being restricted.

Henry Meulen.
31, Parkside Gardens, S.W.19.

Payroll tax

From Mr. W. Grey.

Sir,—One good turn deserves *another. If, on top of* the existing regional employment premium, there is now also to be a temporary employment subsidy in order, according to the Employment Secretary, to "alleviate some of the effects of *high unemployment in the worst*-hit areas," is there not an even stronger case than before for introducing a permanent employment (payroll) tax in those areas which traditionally have been, and still are, the least-hit?

Apart from helping to distribute the burden more fairly, the *object of such a tax, to be borne* by employers, would be (i) to claw back part of any agreed pay increases, whether in excess of a set pay limit or not; (ii) to curtail overmanning where it exists side by side with an actual labour shortage; and so (iii) to minimise the inflationary impact *of a subsequent return to full* employment at a level which can be sustained more successfully than in the past.

While the proposed tax would not therefore—unlike the temporary employment subsidy—directly discriminate against employers failing to comply with the present (or any future) incomes policy, it could nevertheless well be reduced, if not remitted altogether, to those with a strike-free record in a given period—a principle which could also be applied in reverse to those *qualifying* for the temporary employment subsidy or benefiting from the regional employment premium, or both.

W. Grey.
12, Arden Road, Finchley, N.3.

Salary levels

From Mr. A. Bythway.

Sir,—Taking up Michael Dixon's invitation (August 4) to submit further comments, I should like to say that, having been employed by and almost *exclusively interested in small* firms all my working life, I am very surprised that people—and particularly Mr. E. G. Wood—should apparently be so concerned about salary levels in them.

I would agree that if the Mandarins or anyone else are going to spend time and money collecting statistics the least they might do is to stop and *think first of all the information* that might be useful and see that it is included but it seems to me completely contrary to what attracts so many people towards small firms to start worrying about what some sort of "average or typical" salary levels may be.

The overriding advantage *for* the employee in a small firm, compared with his counterpart in the large and inevitably highly structured one is that, if he plays his cards right, he still—and always will—stand a good chance of earning what *he* is worth; with no predetermined top-level simply because a *particular* figure represents "the rate for the job."

I personally avoided, as far as possible, ever recruiting anyone who appeared to be looking over his shoulder at the next *man to see how he was doing or* who wanted his prospects defined in detail: but it was *one of my* few basic principles to pay all employees—both works and office staff—well above the rate for comparable jobs in the (large) parent company because I found that if my companies were to be profitable I simply could not afford to employ mediocre people who would be content to receive average pay for the appallingly low average day's work which is produced by the vast majority of employees in large firms—though not of course by the few key *people who really make large* firms tick.

A. S. Bythway.
71, Highsett, Hills Road, Cambridge.

Tangle

From F. Peachey.

Sir,—One can see an explanation for the vast paper losses *achieved by nationalised industries.*

We recently moved from Luton to Cheltenham. Advance written notice, followed by confirmation in writing and by telephone was given to the GPO re cessation and commencement of relevant telephone installations.

Now I am in the midst of untangling, by correspondence, *accounts received at both ends* which completely ignore the arrangements which the Post Office had itself made and confirmed!

F. Peachey.
12, Church Road, Leckhampton, Cheltenham.

R/D cheques

From The Secretary, The Steering Wheel

Sir,—My experience in dealing with a growing number of R/D cheques convinces me that the banks, in their scramble to obtain new customers, are unbelievably lax in verifying the credentials of would-be account holders.

The banks should undertake—*or preferably be compelled*—to honour *all* cheques issued by their customers up to a limit of, say, £30. This would (a) Force the banks to raise their standards in granting cheque facilities (which ought to be a privilege of responsible citizenship) (b) Save businesses (large and small) *hundreds of thousands of pounds* spent in chasing delinquents. (c) Obviate the present system of bank cards, operating to a limit of £30, the administration of which must cost the banks vast sums.

There are too many people passing worthless cheques with the virtual *encouragement of the* banks who irresponsibly set them loose with books of blank cheques.

H. J. Morgan,
The Steering Wheel
United Motor Sports Club.
47 Curzon Street, Mayfair, W.1.

British Airways

From Mr. P. Klein.

Sir,—I read Michael Donne's article on British Airways' Glasgow shuttle (August 6) with great interest. In it he quotes the general manager, market development, of BA as saying . . . "what they (BCAL) have failed to achieve in a competitive environment they propose to achieve by forcing passengers, through the process of law, off BA's services and on to their own. . . ."

This self-righteous statement *is a tough pill for the public* to swallow so soon after the same organisation (BA) has calmly and gleefully had its way over Freddy Laker's "Skytrain." As the general manager goes on to say: "Such discrimination would be inequitable and against the interests of the travelling public." It sounds very much as though British Airways is rapidly sliding into the nationalised industry groove—the interests of the public are *whatever British Airways say* they are.

P. M. Klein.
Flat 3,
31, St. Andrew's Road, N.W.11.

Price Commission

From Mr. J. Oliver

Sir,—The dramatic increase in the *price of quarterly reports* from the Price Commission inevitably prompts a couple of questions: have the price increases been fully justified by increases in unit cost? are the price increases pre-notifiable—and if so to whom?

It would also be of interest to know what level of output is now regarded as "representative"—and whether the product is proving to be price sensitive.

J. E. Oliver.
11, Beverley Close, Camberley, Surrey.

Putting a drag on sporting a fag

BY MICHAEL THOMPSON-NOEL

FOLLOWING THE twists and turns of the controversy on smoking is like embarking upon a magical mystery tour of an Alice In Wonderland world of claim and counter-claim, confusion and contrariness: a weird and peculiar land in which little is certain and nothing makes sense.

That, at any rate, must have been the reaction of the Health Minister, Dr. David Owen, this week as he surveyed the extravagant range of reactions to his written statement in the Commons about the Government's intention to take a tougher stand against the health risks caused by smoking.

This statement was intentionally bland and non-specific. But it nevertheless suggested that unless the tobacco companies and the Government were able to reach acceptable voluntary agreement on how tobacco products were made, sold and marketed, the Government—*this* Government—would take statutory steps to achieve its aims.

Dr. Owen referred to recent estimates that smoking caused 50,000 premature deaths a year in Britain, plus considerable suffering and ill-health, and said he had a clear responsibility to "respond to this overwhelming medical and scientific evidence of the dangers to health from tobacco products, especially cigarettes."

Other drugs

Because there was a need to subject tobacco products to the same criteria as other drugs of addiction which can endanger health, said Dr. Owen, there was a case for introducing control machinery analogous to that provided for in the Medicines Act, 1968, which would enable action to be based on advice from an expert and independent advisory committee after consultation with the tobacco industry.

What would that involve? It would include, said Dr. Owen, the regulation of such matters *as the use of substitutes* and additives, reductions in the yields of tar, nicotine and carbon monoxide, health warnings and information on advertisements and packets, the restriction of promotion and codes of practice for advertising and sponsorship.

"Talks by successive Governments with the tobacco industry have made only limited progress," said the statement patiently, adding that, in an endeavour to achieve voluntary agreement between all concerned, talks would start with the industry, the Medicines Commission and the Independent Scientific Committee on Smoking and Health.

Reactions to this quiet statement ranged from the violent to the doubly so. The Action on Smoking and Health group, for instance, slammed into the Minister for his lack of strong anti-smoking measures. The powerful tobacco, advertising and sports lobbies, claimed ASH, had prevented the Minister from taking the action he knew to be necessary.

On the other hand the Federation of Retail Tobacconists counter-attacked on Thursday by claiming that the promise of tighter control on sports sponsorship and other forms of promotion by tobacco companies was "puerile in the extreme." The Federation observed that smokers represented "about half the voters of this country," the notion being, presumably, that smokers resent attempts to lower their consumption of tobacco, or to curtail tobacco advertising, and this may show through at the ballot box.

The Federation was slightly nearer the mark when observing: "This Government, through its nationalised industries, lost over £800m. in the last 12 *months*. Every smoker has helped to pay for that loss through his contribution to the exchequer in the shape of £1.5bn. in tax and duty."

But even the revenue argument cannot be summoned to repel the basic contention that smoking endangers health. Either it is a medical problem—and a moral one, too—or it is not.

Over at the Department of the Environment, meanwhile, the Minister for Sport, Mr. Denis Howell, was making it clear that the Government does not intend a total ban on sports and other sponsorship by the tobacco companies, currently valued at around £4m. yearly. Talks—inevitably—would start this autumn aimed at producing a voluntary code of conduct for promotion and advertising of sponsored events. The plan, said the Department, was to prevent the unbridled growth of more sponsorship, not ban it altogether.

For the time being, this *sounds like a sensible compromise*, for sports like cricket, tennis, motor racing, golf and racing rely to a greater or lesser extent on sponsorship of all forms. In some cases the tobacco companies' support is vital.

Cricket is the best example of a sport which would be in a poor financial state without it. Benson and Hedges this summer is putting up £100,000 for cricket, and John Player £95,000. That makes £195,000 out of a sponsorship total for cricket of around £360,000 (the rest comes from Gillette and Prudential Assurance).

For the time being this money is vital, a fact driven home by this week's White Paper on sport and recreation, which was full of platitudes about the quality of life but which said, realistically, that spending on sport in an era of local authority belt-tightening was likely to suffer.

Concern about sports sponsorship, however, is only the tip of the promotional iceberg. Back in April, Dr. Owen told the Commons that in 1974-75 the tobacco companies spent an estimated £70m. on promotions of all kinds compared with only £330,000 on health education about smoking at national level. The £70m. comprised £15.5m. on Press, poster and cinema advertising; £50m. on gift coupons; and £2m.-£4m. on sponsorship, where the tobacco companies' spending is thought to outgun that of the oil companies, the next biggest in the field, by a factor of at least two to one.

This week's threat of possible Government action to enforce stricter regulation of the tobacco industry if voluntary agreement cannot be reached can be viewed in the light of current progress or lack of it on six key proposals put to the industry last summer. For it is the apparent slowness of the industry's response which triggered this week's Government statement.

First, the Health Department suggested that the tobacco industry voluntarily contribute a sizeable proportion of its total promotional expenditure — a sum of £7m. was generally referred to—towards public education about the danger to health. This was completely rejected. The industry's view was that as the Government was already raising well over £1bn. in tobacco tax and duties, it could pay the money itself.

Second, Dr. Owen wanted an end to cigarette advertising in cinemas. In February the industry offered to withdraw advertisements from "U" certificate programmes, a concession it is now willing to extend to "A" and "AA" shows, depending on contractual agreements with cinemas.

Third, there was to be tighter control on the way sponsored sports events were used to promote tobacco products. The Imperial Group, Britain's biggest cigarette concern with *around two-thirds of the* domestic cigarette market and a sponsorship budget of around £1m. a year, said it was unilaterally prepared to remove all brand names and insignia from its racing car teams provided the rest of the industry could agree on the question of cinema advertising. Other companies appeared less ready to co-operate straight away, which is what Mr. Howell's talks this autumn will be about.

Fourth, Dr. Owen wanted a speedy conclusion to the lengthy discussions over showing the tar yield on advertisements and packets. Agreement was then reached on showing tar yields on Press and poster advertisements within five broad groups from "Low" to "*High*," *but there is still some* stickiness about displaying tar levels on packets. At present they are due to be shown on the tear-tapes (as soon as machinery can be converted — an expensive business) but not on packets themselves.

Fifth, the Health Department wanted the health warning on packets moved from the side to the flap and upgraded to state: "*Danger*: Cigarettes Cause Lung Cancer, Bronchitis, Heart Disease." This was too strong for the industry, which declined. "As a warning," said the Tobacco Advisory Committee last night, "it is meticulously, desperately true, but also paradoxically inaccurate and unhelpful, like 'Driving Cars Kills'."

Sixth, Dr. Owen wanted the companies to abolish coupons or at least limit them to brands with "Low" and "Low to Middle" tar yields. The second option has now been agreed to.

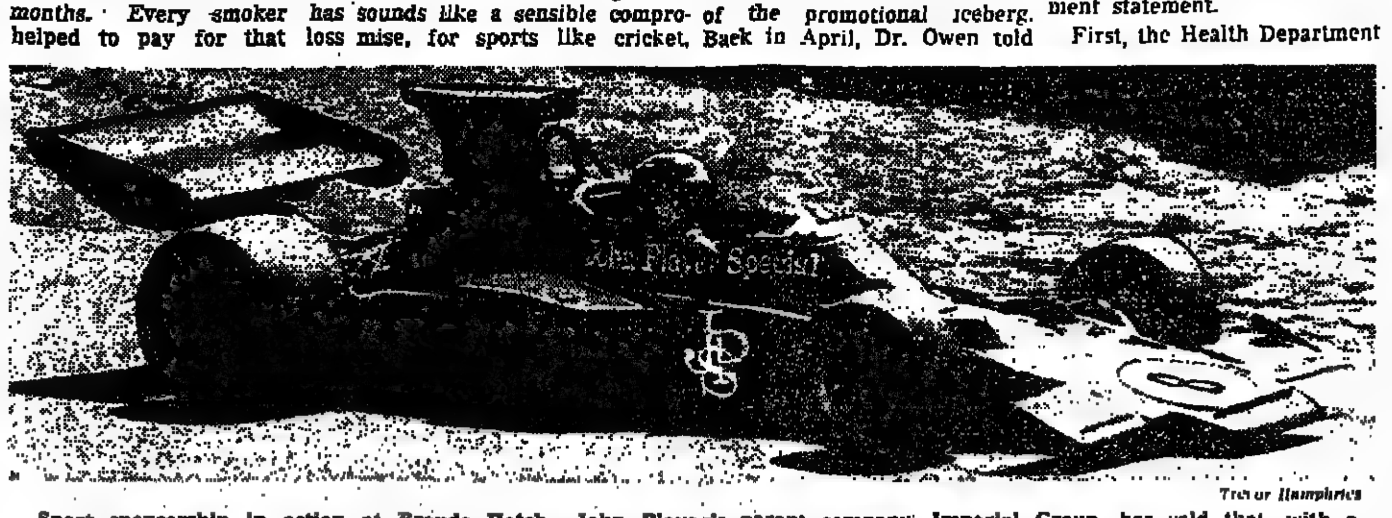
Other areas of progress concern free samples and control over the code of practice for cigarette advertising. Press advertising of free samples has now ceased, free samples sent through the mail are going only to known adults and free samples given out by hand are being given only to known smokers—that is, someone already with a cigarette in their hand.

Watchdog

At the same time, control of the code of practice for cigarette advertising has now passed from the industry itself to the Advertising Standards Authority, the watchdog for newspaper, magazine, poster and cinema advertising, which is due to announce its code for cigarettes on Tuesday.

It is expected that the authority will insist on vetting in advance all material promoting cigarette sales, and it will probably demand an end to advertising slants designed to foster the belief that cigarette smoking is the passport to social and sexual success. Virile, sunburnt cowboys sitting pensively on their horses exhorting us all to come up to Marlboro Country, where the good life is, are probably gone for good.

In the meantime, the other areas of control that the Government would like strengthened are likely to see what the advisory committee itself described last night as "very protracted consultation . . ."



Trevor Humphries

Sport sponsorship in action at Brands Hatch. John Player's parent company, Imperial Group, has said that, with a general agreement on the question of cinema advertising, it was prepared to remove all brand names and insignia from *its racing car teams.*

LABOUR NEWS

Home Office calls talks on firemen

BY LORELIES OLSLAGER, LABOUR STAFF

THE GOVERNMENT has decided to intervene in the 14-week dispute between the Fire Brigades Union and local authorities which led the union to step up industrial action this week to a point where fears are being expressed about public safety.

Mr. Roy Jenkins, the Home Secretary, yesterday asked both parties to come to the Home Office on Tuesday for separate meetings with the Permanent Under Secretary, Sir Arthur Peterson. Mr. Jenkins is also planning to set up a Home Office inquiry. The terms of reference will be discussed with the union and employers on Tuesday, a Home Office spokesman said.

The Home Office, being responsible for laying down standards for the British fire service, would be the authority which would have to act if public safety were seriously endangered.

So far, according to the employers, the campaign has not had any serious consequences because most firemen tend to interpret the union's instructions flexibly. The response to 999 calls was decribed as "almost normal" yesterday.

But the employers are seriously worried about the risks involved in the FBU campaign, particularly its instruction to firemen not to answer calls unless there is a full complement to man the engine and an authorised supervisory grade is in control. In London, some 15 of the 114 fire stations have tended to be out of action at any one time since the union stepped up industrial action on Wednesday.

The union is seeking a commitment from the employers that moves will be made soon towards the introduction of a 40-hour week and also that the men will be paid the full £6-a-week increase permitted under the Government's new pay policy when their annual pay settle*ment comes up for renewal in* November.

A spokesman for the union yesterday said he expected the full FBU executive to come to the Home Office meeting and that the FBU would listen carefully to what Sir Arthur Peterson had to say.

The employers said they expected Sir Arthur to try to establish the facts before deciding on any concrete form of intervention.

BL component workers end strike after £6 pledge

WORKERS at the British Leyland component factory of Alford and Alder yesterday decided to call off their eight-week old strike which has made another 18,000 men idle and has lost the company production worth about £20m. in salesroom terms.

The 800 strikers will resume work on Monday, and British Leyland hopes that car production will be back to normal by mid-week. The strike has disrupted supplies of suspension and steering parts for Triumph, Jaguar and Austin Morris cars.

The Alford and Alder workers called off their strike following a promise from management that negotiations for their next annual pay deal, due in October, would begin as soon as possible. They also got an assurance that they could expect the full £6-a-week permitted under the Government's new pay policy.

Meanwhile, 9,000 workers at British Leyland's bus and truck division, will try to enlist the support of local MPs in trying to persuade the Government that they should be allowed the full pay rise they negotiated just before the new policy was announced.

The company has told them that the deal will have to be renegotiated because, in addition to a flat rate £6 increase a week from September 15, it also provides for payment of a £52 bonus, which runs counter to the policy.

FITTERS STRIKE AT GAS DEPOTS

About 350 fitters and maintenance men at *West Midlands Gas* depots in Wolverhampton, Walsall, Oldbury, Cannock and Dudley have gone on strike because of an overtime dispute, the use of outside contractors and the interpretation of a recent national agreement.

The Gas Board said that because of the strike 1,000 jobs promised had to be cancelled yesterday. It warned people reporting leaks to turn off supplies at the meter.

Steelmen to fight closure

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

A MEETING of workers at the British Steel Corporation's Tollcross Foundry, Glasgow, voted yesterday to resist the corporation's plan to close the works, *due to be phased out this year* or next as part of the plan announced this week for reducing the Scottish steel labour force.

The meeting did not discuss how to prevent the closure, which would mean the loss of about 350 jobs. The corporation has said that men from Tollcross will be given priority in recruitment at Craigneuk Foundry, where some 300 new jobs are expected to be created.

Holiday camp boycott call

THE NATIONAL Executive of the Transport and General Workers' Union is to be asked to take retaliatory action against delivery of goods to the holiday camps and hotels in England operated by Ladbroke's.

This follows a meeting in Glasgow yesterday of some of the 280 former employees in Ladbroke's West of Scotland betting shops who have been dismissed by the company after taking strike action.

S. African Airways $100m. Airbus order

BY OUR OWN CORRESPONDENT AMSTERDAM, August 8.

SOUTH AFRICAN Airways has *placed an order thought to be* worth around $100m. for four European "Airbus" jumbo aircraft, with delivery in November next year.

A spokesman for Fokker, one of the A300 Airbus sub-contractors, said at Schiphol to-day that the order had been won against "unprecedentedly fierce" competition from the other three U.S. wide-body aircraft manufacturers. It was likely to herald new orders, he added.

The South African Airways aircraft will be of the B-2 type for medium-range distances and able to carry 300 passengers, with two General Electric engines. The aircraft will be used for regional operations.

This brings the number of orders and firm options for the A300 to 51. Main partners in Airbus Industrie in Toulouse *are Aérospatiale and the* German aircraft industry.

The gradual appreciation of the dollar and the recent French and German measures in the export credit field are believed to have been a decisive commercial factor in clinching the South African deal.

The four aircraft will be equipped with "Krueger flaps" which further improve take-off performance and can also carry freight.

Hawker Siddeley, which manufactures wings for the Airbus which are then assembled at Toulouse, recently won a £17m. order to supply an extra 16 sets.

With world airlines at present holding options for further aircraft, the project is likely to generate work for the company for some years ahead.

Haw Par probe by Hong Kong police

BY PHILIP BOWRING HONG KONG, August 8.

HONG KONG police have begun investigating the affairs of Haw Par Brothers International and *certain companies formerly* related to Slater Walker Securities, it was learned to-day.

The move follows accusations by Mr. Hon Sui Sen, the Singapore Finance Minister, in Parliament last week that a Hong Kong company named Spydar Securities had been used for share deals for the personal benefit of directors. He alleged: "The parent company (Haw Par) would sell quoted securities of its subsidiaries to this Hong Kong company at a cost below prevailing market prices. The Hong Kong company would in turn sell these securities in the market and distribute the profits to the directors participating in the scheme."

According to to-day's issue of the Far Eastern Economic Review, Spydar made at least H.K.$11.9m. in profits during its 15-month existence until July, 1973, when it was put into volun*tary liquidation*. The review based its assessment on Spydar's minimum profits on the fact that the liquidators' report showed a payment of H.K.$1.7m. in profits tax to the Hong Kong Government. Hong Kong profits tax was then 15 per cent.

Investigations are likely to centre on the relationship between Spydar and two companies at that time quoted in Hong Kong and part of the Slater *Walker Far East* stable—Slater Walker Overseas Investments and Slater Walker Securities (Hong Kong).

The review said it was likely that investigations in Singapore and Hong Kong would involve Mr. Jim Slater, chairman of SWS, as well as former colleagues in Far East ventures, such as Mr. Donald Ogilvy Watson, Mr. Ian Tamblyn, Mr. Richard Tarling, Mr. Patrick Goodbody and Mr. Alan Johnson-Hill.

It added that the British Press had not yet realised the possible implications of the Haw Par investigations for Slater Walker Securities and had concentrated on the political aspects of the case. It pointed out that Slater Walker had made a loan of $US13.5m. to Haw Par and said that if the Singapore authorities proved the allegations, SWS could have difficulty securing *repayment by Haw Par.*

The review article concluded that Haw Par had so infuriated the Singapore authorities that they would "employ all Singapore's tenacity and efficiency to unearth any and every dubious deal or illegal business practice which directors of Haw Par and its associates might have committed."

Singapore authorities are currently investigating six different areas to see whether any laws were transgressed. The most serious of these relates to Spydar.

Margaret Reid writes: Mr. Robin Whitten, a director of Slater Walker Securities, said last night: "The matter is under investigation. In those circumstances it would be wholly improper to make any comment."

Slater Walker Securities acquired a sizeable shareholding in the Singapore-based Haw Par in 1971 and sold its stake, then some 27 per cent., in June, 1974. The principal buyers were Charter Consolidated, the mining finance group, and Ivory and Sime, the Edinburgh investment group.

Just over two months ago, it was proposed that Haw Par should form a link with the Malaysian state-controlled Pernas Securities, under which the latter would gain a near-40 per cent. stake in Haw Par. This project ran into great difficulties and Haw Par is now the subject of an investigation by the Singapore authorities.

Administration of estates

THE ADMINISTRATION of Estates (Small Payments) (Increase of Limit) Order 1975 (SI No. 1137) came into operation on July 10, 1975. The order, which increases the £500 limit set by the Administration of Estates (Small Payments) Act 1965, to £1,500 on sums which may be paid or distributed without probate or other proof of title applies to deaths occurring on or after August 10 1975.

The order amends a number of statutory references to the £500 limit and in some cases has immediate effect: for example, on amounts invested or deposited with Building Societies, Housing Associtions and Co-operative *Unions. In other cases*, further statutory instruments will be laid in due course.

'Last sale' makes £45,071

CHRISTIE'S last sale of the season—English and Continental pictures—totalled £45,071 yesterday.

A painting attributed to W. Shayer, *Outside the Cottage Door*, fetched top price of £1,155 (private buyer), while a pair of seascapes by John Lynn made £892.50.

Citroen to sell Maserati

BY ANTHONY ROBINSON ROME, August 8.

CITROEN, owner of the Maserati luxury car company, has reached an agreement in principle to sell the company to the Argentine-born industrialist Sig. Alessandro de Tomaso and Italy's "industrial hospital" GEPI.

The agreement, signed at the Ministry of Industry where Minister Sig. Carlo Donat Cattin has been acting as intermediator, has been made within the wider context of an agreement between the trade unions and the local industrialists' Association of Modena, where Maserati has its plant, to absorb locally some 300 workers who will be made redundant at Maserati.

RAIL EXHIBITION TRAIN IN GLASGOW

A special exhibition train displaying rail developments begins a four-day visit to Glasgow next Monday as part of a nation-wide tour of cities to mark the 150th birthday of railways in Britain. It will be situated at platform 11A in Glasgow Central station from August 11-14. Admission is free and a hostess will be available to visitors.

COMPANY NEWS + COMMENT

John James tops forecast with £1.68m.

GROUP PROFIT, before tax, of the John James Group of Companies increased by some 20 per cent. to a record £1.68m. for the year to March 31, 1975, compared with a forecaset of in line with the previous year's £1.4m.

Stated earnings per 25p share advanced from 3.06p to 3.55p, and the dividend is raised to 12.9 per cent. gross, against 12.5 per cent. foreshadowed and compared with 12.3 per cent. for 1973-74. The net final is 1.25p making 2.125p (2.1p). There is little doubt that the rate can at least be maintained in the future, says the chairman, Mr. J. James.

Summing up prospects the chairman says he is pessimistic about the national position until "we have wallowed in self-inflicted punishment for at least one to two years," but he assures members that the group will continue to give a good account of itself." He finds it "extremely difficult" to make a reasoned forecast.

	1974-75 £	1973-74 £
Quoted invest. income	1,003,106	666,959
Unquoted	7,242	9,084
Interest receivable	9,318	416,290
Profit trading divs.	928,982	734,473
Total profit	1,948,948	1,826,745
Management expenses	34,747	36,935
Bank interest	236,597	391,335
Profit before tax	1,677,614	1,398,475
Corporation tax	335,326	335,950
Income tax	326,746	188,956
Net profit	1,015,542	873,569
Minority interests	13,779	11,962
Attributable	1,001,763	861,607
Dividends	530,544	501,326
Forward	2,336,372	1,869,428

During the year the directors took the opportunity to turn investments into cash and to use part of the cash to buy higher yielding preference shares to make the dividends even more secure. Franked investment income rose from £676,042 to £1,010,448, and net borrowing was reduced from £2,018,203 to £915,348.

Although trading conditions in the industrial group generally continued to be difficult, particularly for one or two of the member companies, net before tax profits increased by 13.2 per cent. to £671,729.

Two of the manufacturing companies, Tebbutt and Hall Bros. and H. J. Godwin made recoveries and increased their exports by 36 per cent. This trend has continued into the current trading period.

During the year the distribution companies suffered from swiftly rising costs and more difficult markets. Although they substantially increased their turnover their net before tax profits were marginally lower, due to the necessity to cut profit margins in order to conform to price control.

Several expansion developments within the Industrial Group have been completed and the directors are engaged in trying to find other industrial companies which would fit into the group.

● comment

The sharp rise in quoted investment income at John James results from the change in investment policy and emphasis towards Preference shares rather than Ordinary stock. It is the industrial division in which the group is concentrating expansion and currently negotiating to acquire several small companies to further this aim, underlining its move away from the investment trust style of operation. However, the company intends to develop both the investment and industrial divisions side by side—the income from investments covering the dividends and the returns on the industrial side being ploughed back into that business. Although pessimistic about the economy as a whole, the Board remains optimistic about its own activities, with an increasing proportion of exports (which advanced 63 per cent. to £737,000 and will climb above £1m. next time). Meanwhile the shares remained unchanged on the announcement, steady at 20½p where they now yield 16.7 per cent.

INDEX TO COMPANY HIGHLIGHTS

Harland and Wolff

Harland and Wolff announces that the Ship Building Industry (No. 2) (Northern Ireland Order has now been made in the form of the draft previously circulated to stockholders, and will come into effect on August 13 next.

Accordingly, no transfers of Ordinary or preference stocks will be accepted for registration after August 12.

Stockholders will be informed in the near future of the method for claiming compensation due to them under the Order.

Downturn at Howard Tenens

AFTER DEDUCTING share of the loss of an associate of £70,000 (nil) and the costs of setting up a new engineering project of £82,000 (nil), taxable profits of Howard Tenens Services fell from £1,368,000 to £896,000 for the year to March 31 1975. Turnover rose from £37.55m. to £40.4m.

At midway profits were down from £688,000 to £012,000.

After full year tax of £591,000 against £772,000 and minorities nil (£18,000), earnings are shown to be down from 4.54p to 2.4p per 20p share. The dividend is lifted from 1.58285p to 1.689p net with a final of 0.952p. Dividend cost is £215,000 (£201,000).

● comment

The market was unimpressed by a maximum dividend increase at Howard Tenens and the shares remained unchanged at 12½p last night, where the yield is a slimly covered 22.4 per cent. Retrenchment by motor-car manufacturers and destocking in the trade has affected the group's activities across the board. After adding back start-up costs and associate losses, second-half profits have fallen by 36 per cent., after an 11 per cent. drop at the interim stage, on slightly lower turnover. The company is looking for packing work outside motors and is switching resources from packaging to engineeing, where it is expanding into van assembly and reconditioned engines: overall demand has not improved and current half profits may be down on the second half of last year. Fortunately, the group's premises are fairly flexible although a net asset value of 32p may lean too heavily on 1973 valuations.

Same rate from Law Debenture

AN INTERIM dividend of 1p per 25p Ordinary unit is declared by Law Debenture Corporation in respect of the current accounting period of 11 months to December 31, 1973.

And, subject to unforeseen circumstances, a final of 2.234p to make a net total of 3.234p is forecast, which represents the equivalent of a maintained annual rate of 3.528p. The previous period covered 13 months.

In their interim report for the five months to June 30, 1975, the directors point out that since February 1, 1975, when the corporation changed its status from a dealing company to that of an investment trust company, profits and losses on transactions in securities have been dealt with in capital reserve and consequently consolidated revenue figures are not directly comparable with the six months to June 30, 1974.

Revenue for the five months was £359,439 (£718,083 for six months, including £243,708 net dealing profits) and net revenue, after tax, was £105,227 (£293,085).

Net asset value per 25p unit is shown at 84.5p (58p) and assuming full conversion of the 4½ per cent. Loan stock at 87.8p (64.9p). Had all investments been realised on June 30 the loss of 25 per cent. of investment currency premium and liability for tax on capital gains would have been equivalent to 3.4p and 5.1p respectively.

	5 mths 1975 £	6 mths 1974 £
Franked income	197,339	287,[illegible]
Unfranked	60,891	[illegible]
Net dealing profits	—	243,708
Fees	102,984	124,379
[illegible]	5,185	1,2[illegible]
Total	359,439	718,083
Deb, loan and loan int.	71,193	91,3[illegible]
Bank interest	17,189	31,336
Admin. expenses	95,770	107,054
Revenue before tax	174,304	486,[illegible]
Corporation tax	5,162	123,289
Tax on franked income	63,915	60,905
Net revenue	105,227	293,085
Dividends	108,364	150,186

On July 31, 1975, the wholly-owned subsidiary, Law Debenture Investment Trust, repaid the foreign currency loan of Sw.Frs.5.19m.

Olives Paper Mill setback

FIRST HALF 1975 pre-tax profit of Olives Paper Mill decreased from £230,045 to £138,873, and the directors state that "prospects for the second half are gloomy." Profit for the year 1974 was £370,692.

Stated earning per share fell from 6.48p to 3.8p and there is no interim dividend compared with 0.75p net per 20p share. Consideration of a dividend is deferred until the year end when it is hoped there will be a clearer indication of the trend of trade, the directors add. Total for 1974 was 2.445p.

	Half-year 1975 £	1974 £
Turnover	1,951,308	1,879,344
Pre-tax profit	138,873	230,045
Taxation	78,000	126,324
Net profit	60,873	103,721

Sales tonnage was about 70 per cent. of budget and the second quarter the figure was 56 per cent.—a level below break even point.

Owing to the exceptionally depressed state of the market, in the price adjustment operative from August 11 the group has been able to recover only a small proportion of allowable cost increases arising since the previous price alteration.

The dividend decision has been made with due regard to the importance of interfering as little as possible with the planned investment programme designed to ensure a continuing increase in production capacity.

Edible oil loss hits J. Bibby

REFLECTING A loss in edible oils, first half 1975 pre-tax profit of J. Bibby & Sons contracted from £609,000 to £398,000.

But the chairman, Mr. J. B. Bibby says, given no further deterioration in the overall economic situation, a final result not far short of 1974 should be attained. Profit for that year was £1.85m.

For the second half the Board expects the feeds and and seeds and farm products division to maintain their improved performance.

Although Henry Cooke, the paper-making subsidiary, is unlikely to reach the record level of profit recorded in 1974, it too should make a satisfactory profit.

Conditions for the edible oils division should improve slightly as market demand recovers, the directors add.

As before the interim dividend is 1.4p net. Last year's total was 4.936p.

	26 weeks 1975 £000	1974 £000	Year £000
Sales	60,283	65,299	124,162
Trading surplus*	1,230	1,407	3,437
Interest	834	858	1,808
Trading profit	396	549	1,629
Share associates	32	60	217
Profit before tax	398	609	1,846
Taxation	207	317	971
Net profit	191	292	875
Extraordinary credits	6	†498	†490
Attributable	197	†196	485

*After depreciation £683,000 (£621,000 and £1,192,000). † Debits.

The dispute over the sale of the interest in Cip-Zoo SPA with the purchaser, Liquifin AG, a subsidiary of Liquigas SPA, has still not been resolved and the August payment now due has not been received.

All necessary steps are being taken to resolve the dispute and to obtain the payment, members are told.

● comment

First-half profits down by 35 per cent. at Bibby are entirely due to losses on the edible oils side, reflecting the drop in consumption of natural oils and some destocking by distributors. Elsewhere animal feedstuffs recovered, particularly dairy products, thanks to a shortage of hay in May and June, while the farm products division benefited from a few months of high egg prices and an improvement in turkeys. The continued dry spell must bolster demand for animal feeds but a probable shortfall on the paper side and only a slight improvement in edible oils will leave Bibby about all square for the year. A 14.2 per cent. yield at 53½p is useful backing for what has always been an erratic performer.

Graham Wood well placed

THE CURRENT year is viewed with a degree of apprehension by Mr. David Graham Wood, chairman of Graham Wood Steel Group but he feels "quite sure" the company's results will compare favourably with those of its competitors.

The steel stockholding division is able to maintain its share of the market from its extensive stock range and is well placed to take advantage of the upturn in steel demand as it occurs, he tells members.

The division, which specialises in heavy steels has not been affected by recent price cuts introduced by the British Steel Corporation to combat the cheap import of certain steels.

Turning to the engineering division, Mr. Graham Wood says the current order book contains a good mixture of business from both the private and public sectors. Export markets cultivated are now beginning to show results and a "significant" proportion of future turnover could arise, either directly or indirectly, from this source.

As reported on June 28, turnover for the year to March 31, 1975 increased from £5.35m. to £6.32m. and pre-tax profits from £360,000 to £405,000. The dividend total is 1.686p (1.498p), the maximum permitted.

Meeting, Abercorn Rooms, E.C., on September 4 at noon.

Sir David Nicolson, who on September 30 will succeed Lord Pritchard as chairman of Rothmans International, of which he is at present vice-chairman. See Page 17.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Amalgamated Metal	int.	5	Oct. 14	4	—	12.08
A.V.P. Industries	int.	0.44(c)	Oct. 2	0.67	—	2.41
J. Bibby and Son	int.	1.4	—	1.4	—	4.93
Davies and Metcalfe	int.	0.41	Oct. 6	0.41	—	0.81
Albert Fisher		0.33	Sept. 11	0.29	0.54	0.5
Gold Fields Group		150(f)	Sept. 30	115	225	150
Group Investors		0.63	Oct. 1	0.75	1.4	1.28
Hawthorn Baker		3.25	Oct. 15	3.96	3.25	3.96
Howard Tenens		0.95	Oct. 1	0.88	1.69	1.58
John I. Jacobs	int.	Nil	—	0.47	—	1.52
John James Group		1.25	Oct. 1	1.23	2.13	2.1
Lampa Secs.		Nil	—	0.5	Nil	0.85(d)
Law Debenture Corpn.	int.	1(a)	Sept. 26	1.22	—(b)	3.82
Nova (Jersey) Knit		Nil	—	0.5	Nil	0.5
Olives Paper	int.	Nil	—	0.75	—	2.45
Sobranie (Holdings)		0.8	Sept. 18	0.8	1.39	1.39
Thomas Witter	int.	0.16(e)	Oct. 8	0.7	—	2.64

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) For 11 (13) months. (b) Total 3.234p forecast, equal to maintained 3.528p annual rate. (c) Payable with final of 1.053p making 1.5p. (d) 18 months. (e) Interim no indication of total. (f) S. African cents.

Drayton Commercial advance

Drayton Commercial Investment, formerly Union Commercial Investment, reports first half 1975 pre-tax profit up from £618,000 to £842,000. The figure for the year 1974 was £1.48m.

A same again interim dividend of 1.3123p net per 25p share is declared. Last year's total was 3.35p.

	Six months 1975 £000	1974 £000
Gross income	1,143	868
Management expenses	81	67
Loan capital interest	187	188
Dollar loan interest	55	41
Revenue before tax	842	618
Taxation	346	244
Net revenue	496	374
Preference dividend	28	20
Ordinary interim	302	302

Net asset value per share is shown at 141.5p compared with 112p calculated as if the convertible loan stock had been wholly converted. Debenture and Preference Stocks have been deducted at nominal values. No provision has been made for the surrender of Investment Currency Premium and tax on capital gains which might arise on future disposals.

T. Witter slumps in first half

PROFIT before tax of Thomas Witter and Co., makers of floor and wall coverings, is £121,127 for the half year to May 31, 1975, compared with £511,178 which included £78,303 share of a former associated company. The year 1973-74 profit was £0.79m.

The directors report now that costs and operating expenses are under strict control. New products scheduled to be introduced during the current half year, together with extended production capacity, should prove to be advantageous in the foreseeable future, they add. They hope the second half "will show an improvement" on the first.

The interim dividend per 25p share is 0.1625p net, compared with 0.7p, but the directors say this should be taken as a guide to the likely level of final payment, which will be made in the light of the results for the second half. The 1973-74 total was 2.6381p.

	1974/5 £	1973/4 £
Sales	8,201,000	7,934,000
Profit	121,127	432,815
Share former assoc.	—	78,363
Pre-tax profit	121,127	511,178
Tax	‡79,730	277,763
Net profit after tax	41,497	233,415
Minority	11,181	42,411
Attributable	30,226	191,004
Interim div.	14,300	61,600

‡ Includes overseas tax of £23,720.

British American & General

Including investment income up from £0.51m. to £0.56m., gross revenue of British American and General Trust amounted to £642,253 during the first six months of 1975 against £637,032. For the year 1974 the figure was £1.24m.

Expenses take £73,230 in the first half (£108,916), tax £220,923 (£194,667) and Preference dividends £15,520 (same), leaving net earnings of £330,580, against £317,929.

Stated earnings per 25p share for the half-year are 0.71p (same) and the interim dividend is kept at 0.5p net. Dividend total for 1974 was 1.2p.

Net asset value is 37p per share, against 27½p, or 37½p compared with 29½p adjusted for conversion of loan stock.

A valuation of investments at June 30, including net current assets, amounts to £19.92m. (£16.69m.). This includes 100 per cent. of the Investment Dollar Premium where applicable £3.3m. (£1.39m.).

Profit fall at Sobranie

Including a customs drawback on exports of £1.95m., against £1.47m., turnover of Sobranie (Holdings), cigarette and tobacco manufacturers, advanced from £4.54m. to £5.84m., but pre-tax profit declined from £207,111 to £110,249 for the year ended February 28, 1975. Profit in the first half was down from £104,181 to £63,850.

Stated year end earnings per 10p share before extraordinary items of £45,193 (£4,433) are 1.50p, against 3.35p and after such items, 3.05p, compared with 3.49p.

A final dividend of 0.7962p net (same) keeps the total at 1.3902p. Holders of 280,424 Ordinary shares and 238,072 Non-Voting shares have waived their rights to the 1975 payment.

	1974-75 £	1973-74 £
Group turnover*	5,841,883	4,536,133
Profit before tax	110,249	207,111
Tax	[illegible]	106,941
Net profit	[illegible]	100,470
Minorities	[illegible]	25
Extra-ord. credits†	[illegible]	4,433
Dividends	[illegible]	113,067

* Includes £1.95m. (£1.47m.) customs drawback on exports. † Comprises surplus on disposal of fixed assets [illegible] £29,477 [illegible] debenture [illegible] abortive [illegible] to take [illegible]

ISSUE NEWS

MID-SUSSEX WATER

Mid Sussex Water Company proposes to increase the authorised capital to £9,737,168 and the amount authorised to be borrowed £19,474,336. The new powers will enable directors to raise additional capital when required to provide new works. Prospective capital expenditure is described as considerable and over the next five years may exceed £8m.

COMPAIR—88%

CompAir's rights issue to raise £3.7m. on the basis of two-for-nine at 45p attracted acceptance as to 88 per cent. of the shares offered. The balance of the shares have been sold in accordance with the terms of the issue.

Results due next week

The company news scene next week should be busier than for some time with the list headed by Unilever and two insurance composites, Commercial Union and General Accident. Also producing figures are Philips Lamp, Carrington Viyella and Acrow.

Unilever's first half profits, due Wednesday, follow a combined pre-tax drop of 68 per cent. in the first three months of the year to £30.7m. This reflected destocking by customers both at home and in Europe. For the Dutch side this resulted in a sharp turndown to losses. The group has forecast that the latter part of the year will see a substantial improvement — and with raw material prices easing and the food interests picking up this could mean a full year pre-tax total approaching £300m. (against £333m., though it is unlikely that much recovery will be shown in the second quarter figures.

The market will obviously compare the half-time figures of Commercial Union on Monday and General Accident on Wednesday and CU will probably emerge more favourably from this exercise than GA. After three months of the current year, CU's underwriting loss had increased by £2m. to £6.5m. with over half of that apparently attributable to the U.S. motor account. GA which is considerably more dependent on the U.S. motor industry saw its first quarter underwriting deficit jump from £0.7m. to £5.7m.

Both companies are expecting the U.S. to pick up later in the year but this may not come through to profits until the last quarter. For CU, which should also benefit from a recovery in Australia soon, that prospect is not too serious and it should be able to hold its half-time underwriting loss to around £10½m. GA's interim figures are likely to show an underwriting loss of £11m., possibly rising to £13m. for the full year.

First quarter profits from Philips Lamp fell from Fls.507m. to Fls.183m. as demand for electrical products turned down and supplies to the building industry declined. There is unlikely to have been much respite from these trading pressures during the second quarter, although Philips is partly cushioned by the steady demand for scientific equipment. The group is probably at the bottom of the cycle, with recovery hopes for the fourth quarter and 1976. So half-year pre-tax profits may only be in the Fls.250m. to Fls.300m. range, against Fls.996m. Interim figures are due on Thursday.

The problems of the textile industry will be highlighted on Wednesday when Carrington Viyella reveals its first half profits. Shareholders were warned in April that interim profits would be lower. In the event, they may have fallen from £4½m. to about £1½m., extending the decline of 1974. Though the second half slide is expected to be less dramatic, the group may be fortunate to push total profits above £8m. this year, which is needed to maintain a covered dividend. The half-year statement will be announced on Wednesday.

As expected last November, Acrow's annual profits are likely to have climbed above £5m. (£3.78m.). Acrow may have been affected by dull construction orders, but the steel side may have at last started to come through with a reasonable return. Demand from North Sea activities for cranes may have given a useful bonus to the group. But although Tuesday's profit figures should be good, as much attention will be focused on the balance sheet and the level of gearing.

Other figures expected next week include interim announcements from Smith and Nephew, and Securicor on Tuesday and N. Corah on Wednesday. Aaronson Brothers is declaring its interim profits on Thursday.

Company	Announcement due	Int. Last year	Final Last year	Int. This year
FINAL DIVIDENDS				
Acrow (Engineers)	Tuesday	1.591	1.391	1.75
AGB Research	Monday	1.0[illegible]	0.977	1.831†
W. G. Allen and Sons (Tipton)	Thursday	0.567	1.439	0.567
Associated Tooling Industries	Tuesday	0.875	0.921	0.963
Bann Brothers	Thursday	0.438	1.179	0.438
G. Brady	Wednesday	1.75	3.15	1.75†
Caledonian Trust	Monday	0.426	0.788	0.5
Cawoods Holdings	Monday	1.278	3.944	1.484
Cowan, de Groot	Thursday	0.7	1.792	1.0
Ellis and Everard	Monday	2.323	4.2	1.25
Forum Properties	Friday	—	0.275	—
Gateway Securities	Monday	0.5	0.537	0.563
Greevor Tin Mines	Thursday	[illegible]	[illegible]	[illegible]
Robert Kitchen	[illegible]	[illegible]	[illegible]	[illegible]
Hanson?	[illegible]	[illegible]	[illegible]	[illegible]
Edinburgh? and General Trust	Wednesday	[illegible]	[illegible]	[illegible]
Lincoln Trust	Monday	[illegible]	[illegible]	[illegible]
London and Liverpool Trust	Friday	[illegible]	[illegible]	[illegible]
London Transport (Holdings)	Friday	[illegible]	[illegible]	[illegible]
Louis Newmark	Thursday	[illegible]	[illegible]	[illegible]
Mercantile Group	Thursday	[illegible]	[illegible]	[illegible]
Newall and Zambra	Thursday	[illegible]	[illegible]	[illegible]
Norwich Hotel	[illegible]	[illegible]	[illegible]	[illegible]
Phoenix Timber	Wednesday	[illegible]	[illegible]	[illegible]
Provincial Cities Trust	Tuesday	[illegible]	[illegible]	[illegible]
Rogers Fashions and Textiles	Tuesday	[illegible]	[illegible]	[illegible]
Renwick Group	Thursday	[illegible]	[illegible]	[illegible]
Richards of Sheffield	Thursday	[illegible]	[illegible]	[illegible]
Scottish and Universal Investments	Tuesday	[illegible]	[illegible]	[illegible]
David S. Smith (Holdings)	Tuesday	[illegible]	[illegible]	[illegible]
George Spurs and Son	Friday	[illegible]	[illegible]	[illegible]
Wiggins Construct	Thursday	[illegible]	[illegible]	[illegible]
Wilmot Colliery	Monday	[illegible]	[illegible]	[illegible]
INTERIM DIVIDENDS				
Aaronson Brothers	Thursday	0.45	1.64	

Company	Announcement due	Int. Last year	Final Last year	Int. This year
Aquis Securities	Tuesday	0.57	0.4545	
Ault and Wiborg Group	Monday	1.103	1.069	
BCA	Thursday	0.36	1.3	
Brighton and Hove Stadium	Wednesday	0.7	1.279	
Carrington Viyella	Wednesday	0.508	1.225	
Commercial Union Assurance	Monday	2.603	4.242	
Compton Partners	Wednesday	0.81	2.162	
Corah	Wednesday	0.879	1.03	
Evode Holdings	Monday	0.336	1.296	
General Accident Fire & Life Assur. Cpn.	Wednesday	2.7	2.7	
Halford, Shead (Holdings)	Thursday	1.508	3.936	
Kingside Investment	Tuesday	0.35	1.4(b)	
Lambert Howarth Group	Friday	0.8	1.646	
Liverpool Daily Post and Echo	[illegible]	[illegible]	[illegible]	
Manchester Ship Canal	[illegible]	[illegible]	[illegible]	
Mercantile Investment Trust	[illegible]	[illegible]	[illegible]	
Rea Brothers	[illegible]	[illegible]	[illegible]	
Reed and Smith Holdings	[illegible]	[illegible]	[illegible]	
Relyon P.B.W.S.	Friday	[illegible]	[illegible]	
Securicor Group	Tuesday	[illegible]	[illegible]	
Security Services	Tuesday	[illegible]	[illegible]	
Smith and Nephew Assocd. Companies	Tuesday	[illegible]	[illegible]	
Bernard Wardle	Wednesday	[illegible]	[illegible]	
Ward Holdings	Tuesday	[illegible]	[illegible]	
INTERIM FIGURES ONLY				
Newarthill	Thursday			
Philips' Lamps Holding	Thursday			
Scottish Western Investment	Monday			
Unilever	Wednesday			
Wedgwood	Friday			
Wolf Electric Tools (Holdings)	Tuesday			

* Dividends shown net, pence per share, and adjusted for any intervening scrip issue. † Includes second interim. (b) For 21 months. ‡ Cents. § Three-quarter figures. (a) Includes 0.134p bonus. (b) Second interim.

UNIT TRUSTS

Schlesinger Intnl. (Jersey) offer

Schlesinger International Fund (Jersey) is seeking a quotation on the Stock Exchange via a placing of Participating Redeemable Preference Shares of the company at a subscription price of £1 per share. The authorised share capital includes 100 Founders' Shares of £1 nominal each issued and fully paid; 500,000 Participating Redeemable Preference Shares of 1p nominal each now being issued and to be fully paid, and 19,490,000 Unclassified Shares of 1p nominal each available for issue. The latter may be issued either as Participating Redeemable Preference Shares or as Nominal Shares.

The company is open-ended (able to issue and redeem shares at asset value) and has been established to cater for residents of the Scheduled Territories with a fund spread in international investments. The principal investment objective is capital growth. The present intention is to invest a high proportion of the company's assets through the medium of the Schlesinger International Fund (Luxembourg) S.A. ("SIL"). The latter is an open-ended investment company incorporated in Luxembourg which has similar investment objectives to SIF (Jersey). There will be no duplication of preliminary or management charges.

Investment in SIL is made in U.S. dollars and SIF has a foreign currency loan facility. The initial underlying portfolio of SIL will be invested as to about 60 per cent. in the U.S., the balance being spread in Japan, various European countries and other Far East countries as well as in international mining companies. SIF also offers share exchange and withdrawal schemes plus the "PIMS" service which is specifically designed for investors with over £2,500. This basically consists of an above-average information service.

Brokers to the issue are Cazenove and Joseph Sabag.

● comment

The Schlesinger International Fund (Jersey) is essentially a vehicle for a Jersey-based offshore fund and the main intention of securing a stock exchange quotation is to satisfy investors that this is not "just another" offshore fund, but one which has met the stringent requirements of the U.K. stock exchange. The initial emphasis in both Schlesinger International Fund (Jersey) and its Luxembourg counterpart is on investment in the U.S.

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EASTERN & INTNL. (C.I.)

Arbuthnot Latham is drawing attention this week-end to the Eastern and International Trust (C.I.) with an issue of up to 2,000,000 Participating Redeemable Preference Shares of 1p each at £1 per share. This is a Jersey-incorporated company and its investment objective is to achieve capital growth with particular emphasis on international companies which stand to benefit directly from the industrialisation of the Middle East (following the substantial increase in oil revenues). Thirty per cent. of the portfolio is in North America with a similar percentage in Japan. Foreign currency facilities are available and the brokers to the issue are Sheppards and Chase and Cazenove. The specialist advisers to the Managers are Arbuthnot Investment Management Services; Arab Financial Consultants, S.A.K. Kuwait; Chartered Merchant Bankers, Singapore; and Oryx Investments, Dubai. Full prospectuses are available.

● comment

Schlesingers has gone about the launch of its Channel Islands fund in a more grandiose way, but Arbuthnot Latham is offering the same kind of vehicle in the Eastern and International Trust (C.I.). The difference is that Schlesinger places rather more emphasis on North America while Arbuthnot is majoring on the future of companies which stand to gain from Middle East oil money.

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SHARE EXCHANGE SCHEMES

Barclays Unicorn and City of Westminster Assurance are both advertising their Share Exchange Schemes this week-end, emphasising the advantage of switching from a portfolio of shares to units of a trust or bond. Investors using such a scheme will be offered advantageous terms against a direct sale, both in the saving of brokerage and in the price offered. Investors using Barclay's scheme have a choice of 14 trusts in which to invest, while the City of Westminster scheme puts investors in the managed fund.

● comment

The movement in the equity market this year has illustrated just how vulnerable the private investor is when holding a portfolio of Ordinary shares. For those who feel that the game is becomming too complicated, a Share Exchange Scheme offers an advantageous method of switching into a professionally managed fund. The Barclays Unicorn scheme gives investors a switch into equity funds and he has 14 to choose from, but the City of Westminster means a change into a mixed fund of equities, property and fixed-interest.

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LAWSON GILT & WARRANT

Lawson Securities is advertising the Lawson Gilt and Warrant Fund this week-end, offering investors the opportunity of combining gilt-edged and equity investment in a novel way, coupling capital growth with safety. The minimum investment is £100 and the charges are an initial 5 per cent., together with an annual fee of ¾ per cent.

● comment

Investment in both gilts and warrants is an extremely technical business, but one that can be very profitable if the investor gets its right. Thus the Lawson Gilt and Warrant Fund offers investors lacking the necessary expertise the opportunity to enter these two fields. Warrants provide the portfolio with equity growth prospects, while the gilt content provides stability with certain money growth. The fund has done well since its launch over a year ago and capital-conscious investors should consider its possibilities.

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BIDS AND DEALS

SINCLAIR BID FOR NATAL STEAM

Sinclair Holdings, a South African associate of Mr. Jim Slater's Lubok Investments, has reached agreement with the controlling shareholders in Natal Steam Laundries for a share exchange offer in terms of Section 314 of the Companies Act 1973 (as amended).

The offer will be 311 Sinclair shares for every 100 Natal, the Sinclair shares to be underwritten for cash by SA Selected Holdings at 95 cents each. These shares will not rank for Sinclair's recently announced rights offer.

Controlling shareholders of Natal owning about 53 per cent. of the shares, have undertaken to accept the offer. The agreement and the offer are conditional upon the approval of the Johannesburg Stock Exchange and shareholders of Sinclair in general meeting.

Natal's trading subsidiaries have been sold and its assets now comprise mainly cash or near cash. Its listing on the Johannesburg Stock Exchange will be reinstated with effect from August 11, 1975.

BOUSTEAD ESTATE SALE OPTION

BOUSTEAD has granted an option agreement to Kuala Kampar Tin Fields Berhad for the sale of 280 acres of the Taiping Estate for tin dredging purposes.

Under the terms, Kuala Kampar has made a deposit payment of Malaysian $559,500 (£105,000) representing 25 per cent. of the total agreed consideration of $M2.24m. (£420,000) and may exercise its option to purchase all of this area on or before March 31, 1976.

However, completion is subject to conditions which may be imposed by the Foreign Investment Committee. If the option is not exercised, the deposit will be refunded.

It is anticipating the ultimate sale of this area, all planted with old rubber, will result in only a minimal reduction in crops. Boustead's present tin tribute should not be affected.

CLAIRMACE

Clairmace has been informed by Eastern Produce (Holdings) that it has sold its holding of 366,137 shares.

Catel Trust and its associates purchased 180,667 of these—they already hold 172,500 shares and the total holding now represents 29 per cent. of Clairmace. A total of 185,470 shares have been placed with institutions.

Mr. O. R. Jessel continues as the chairman of Clairmace and is joined on the Board by Mr. J. W. B. Wimble and Mr. T. F. H. Jessel. Mr. R. Mann, Mr. L. M. Miller, Mr. R. Schomberg and Mr. G. I. de Glanville have retired.

Clairmace says its intends to utilise fully the company's U.K. resources and to pursue actively in the near future, opportunities which may arise in the U.K.

DUNDEE CREM. BUYS MORE STOCKPORT CEMETERY SHARES

Dundee Crematorium, despite a rejection of its bid for Stockport Borough Cemetery, is continuing to buy shares in the company. It has bought a further 6,298 at 340p a share and now owns, with persons acting in concert, about 18 per cent. of Stockport's equity.

The Stockport directors have rejected Dundee's all share or share and cash offers and have said that, in the absence of a "satisfactory cash alternative," proposals will be put to shareholders for the company to go into voluntary liquidation, which would mean a cash distribution of about 380p a share.

S. BANKS EXPANDS

Sidney C. Banks, grain merchants and seed specialists of Sandy, Bedfordshire, is acquiring the 76 per cent. of the issued Ordinary capital of Joseph Odam (presently owned by Beecham Group), manufacturers and distributors of animal feedingstuffs at Eye, near Peterborough. This acquisition will be financed out of existing resources.

Directors of Banks feel the acquisition provides a sound base for geographical extension of group activities, and by extending manufacturing capacity as well it broadens the general scope.

ASSOCIATES DEALS

Simon and Coates sold on behalf of associates of Whinsparken 7,000 Charterhall Finance at 51p—result of option.

Frank H. Statham sold for associates of Whinsparken 30,000 Charterhall Finance at 50p and 25,000 at 50½p. They also bought 50,000 at 30p, 10,000 at 33p and 5,000 at 53½p and 5,000 at 53½p.

Spirella bought 50,000 Vantona Ordinary at 43.5p.

SHARE STAKES

Property Holding and Investment Trust has been informed that Pearl Assurance purchased on August 3 a further 132,500 Ordinary shares making its present holding 1,825,942 (15.34 per cent.).

Holyrood Rubber—Mr. J. G. Cluff now holds 11,750 stock units (13.04 per cent.).

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

There were few new developments on the bids and mergers front to break the general lethargy overhanging the stock market last week. The engineering sector provided a little excitement mid-week when GEI International emerged with an agreed £3.5m. offer for machinery manufacturers Tobenoil. The bid package consists of one GEI Ordinary plus 20p nominal of an existing 10 per cent. Partly Convertible Loan, 1987-92, for every two shares of Tobenoil in issue following a pending one-for-ten scrip issue. Tobenoil shares are to be quoted ex the capitalisation issue on Monday. The terms are considered fair and reasonable by the independent advisers, Samuel Montagu for GEI and Slater Walker for Tobenoil, who were called in to settle the terms due to the merging companies having certain directors and chairman common to both Boards. Tobenoil's directors intend to accept in respect of their combined 6.3 per cent. shareholding, but Colonial Securities Trust, holders of a further 13.43 per cent. of the Tobenoil equity, has not yet indicated its attitude to the bid.

Shares of Robert Stigwood, the entertainment concern, lost around a quarter of their stock market value yesterday to close at 30p following a decision by the Board to call off bid negotiations with Warner Communications, of the U.S. The latter declared three months ago that it was prepared to make a cash offer through its U.K. subsidiary for the Stigwood equity at a price equivalent to the sterling value of US$1 for each share subject to certain conditions. Instead, Stigwood has reached agreement on alternative business arrangements, which it considers to be more in shareholders' interests, with the U.S. Polygram Group, owners of about 25 per cent. of the Stigwood issued capital. However, close collaboration between Stigwood and Warner will continue in all areas of the entertainments industry.

Jessel Securities and Eastern Produce have sold their combined holding of some 73 per cent. of the equity of Sri Lanka tea company Pundaloya Holdings to clients of stockbrokers Dunkley, Longman, Marshall and Co. and other investors at 12$\frac{9}{16}$p per share. In compliance with the Take-over Code, an unconditional offer at the same price is being made to outside shareholders by DLM on behalf of two of the purchasers, Messrs. J. S. Herbert and I. H. A. Hazeel.

Granada Group has now formulated terms for its foreshadowed bid to minority shareholders in Barranquilla Investments, holding about 3.5 per cent. of the latter's equity, to enable them to dispose of their shares before the Barranquilla quotation is cancelled by the Stock Exchange.

Company bid for	Value of bid per share k	Market price k	Price before bid	Value of bid (£m's) k	Bidder	Final Acc't'ce date
	Prices in pence unless otherwise indicated					
Barranquilla Invs.	£31½	£31½	£24½	—	Granada	—
Bensons Internatl. Systems	190*	180	110	4.0*	Esselte (A. B.)	—
Cameron (J. W.)	125*d	120	100	9.7*d	Ellerman Lines	—
Central Prov. Manganese Ore	12½*	10	6	0.5*	Ests. & Agency	—
Clifton Invs.	4½*d	5	4½	0.15*d	Aries Hldgs.	—
Cons. Commercial	14	15	34	0.8	Rubislaw Invest. Tst.	—
Court Hotels	50*	32½	32	1.3*	BSQ Secs.	—
Dowgate & General	6*	5	4	0.9*	Midhurst White	—
Glouc. & Chelt. Greyhounds	50*d	48	40	0.2*d	Suregain Secs.	—
Great Boulder	76½d	72	70	46.8d	Western Mng.	—
Greening (N.)	33.3	30½	16½	7.7	Johnsn. & Firth Brown	21/8
Gunn (A.)	54	52	50	2.9	Hewden-Stuart	—
Hanover-Grand	5*d	6½	8	0.1*d	Mr. J. Grant	—
"Lags"	37d	34	31	9.5d	Lonrho	—
Leadenhall-Sterling Invests.	55*d	53	31	0.6*d	Brit. & Cmnwlth. Shipping	11/8
Lovell (G. F.)	11*d	26	9	0.03*d	Ellis London Shops	—
Mercantile Credit	29bd	28½	27	18.9bd	Barclays Bank	1/9
NET	58½	53	28	2.2	W. Mallinson	27/8
Pentland Industs.	4½*d	5	6½	0.6*d	Robt. Stephen	—
Pundaloya	12$\frac{9}{16}$*d	17	12	0.01*d	Messrs. J. Herbert & I. Hazel	—
Quality Cleaners	72*	68	36	0.7*	Sketchley	—
Scotia Invs.	17*d	12½	20	0.6*d	Alco Metrop. Properties	—
Scragg (E.)	11	10½	8	4.9	Stone-Platt	—
Seaham Harbour	£26*	£5‡	£5‡	0.6*	Tinline Ests.	—
Tobenoil	30	25	23	3.5	GEI Intl.	—
Vantona	47	42½	44	4.9	Spirella	30/8
Whinsparken Invs.	27	27‡	27‡	1.1	Charterhl. Fin.	—
Wright-Scriven	13*d	13	13	0.5*d	Ferguson Indl.	20/8
Yatton Furniture	6½bd	6½	6	0.9bd	Stag Furn.	22/8
Zinc Alloy Rstpfg.	10*d	9½	7	0.6*d	Astra Secs.	—

* All cash offer. b Cash alternative. c Partial bid. d For capital not already held. e Combined market capitalisation. f Date on which scheme is expected to become operative. g Based on 8/8/75. k Based on 7/8/75. n Notional value. ‡ At suspension. † Bid.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Abbey	Apr. 30	1,043	(2,251)	4.3	(4.5)	2.0†	(6.25)
Assam Invests.	Dec. 31	2,201	(1,212)	17.5	(8.9)	3.003	(2.814)
J. Austin Steel	Mar. 31	1,427	(733)	22.8	(11.6)	4.375	(3.5)
AVP Industries	Mar. 31	4,206	(3,809)	11.3	(9.6)	2.405	(2.246)
Bromsgrove Castg.	Mar. 31	209	(116)	6.2	(3.4)	1.7	(1.663)
CBR Jersey	Oct. 27	276L	(73)	—	(—)	Nil	(0.101)
Clive Discount	June 30	822‡	(38)L	6.6	(—)	1.044	(0.888)
G. M. Firth (Mtls.)	Mar. 31	901	(904)	14.4	(15.2)	5.0	(5.0)
Gnome Photo.	May 31	226	(227)	4.2	(4.7)	2.275	(2.216)
Hall and Earl	Mar. 31	615	(580)	2.5	(2.3)	0.493	(0.462)
Hogg Robinson	Mar. 31	4,683	(3,643)	15.1	(11.9)	4.035	(3.681)
Hollis Bros. & ESA	Mar. 31	628	(2,458)	4.2	(12.8)	3.311	(3.117)
Howard Shatterg.	Apr. 30	305	(245)	5.8	(4.1)	1.288	(1.2)
Letraset Intnl.	Apr. 30	2,010	(2,726)	4.7	(7.1)	1.282	(1.203)
Maybrook Props.	Mar. 25	64L	(266)	2.6	(4.7)	2.216	(2.216)
Melody Mills	Mar. 31	379	(314)	10.7	(8.6)	2.385	(2.216)
Parambe	Dec. 31	503L	(52)	—	(0.7)	Nil	(0.861)
Benjamin Priest	Mar. 28	1,002	(612)	12.3	(8.4)	3.611	(3.395)
Steinberg Group	Mar. 31	629	(805)	2.3	(3.1)	0.876	(0.803)
Stroud Riley	Mar. 31	145	(408)	1.8	(6.7)	1.75	(2.383)
Unitech	May 31	1,564	(1,306)	10.0	(9.0)	6.076	(5.718)
Wagon Industrial	Mar. 31	2,238	(1,715)	15.9	(11.9)	7.501	(7.155)
Western Motor	Dec. 31	282	(343)	0.3	(6.0)	Nil	(1.877)
Wintrust	Mar. 31	800	(1,631)	5.8	(13.0)	2.919	(2.633)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Adams and Gibbon	May 31	311	(86)	0.875	(0.875)
Barrow Hepburn	June 30	1,205	(1,166)	1.313	(1.313)
Carron	June 30	403	(869)	1.542	(1.542)
East Lancs. Paper	June 30	708	(664)	1.172	(1.172)
Glynwed	June 28	5,285	(8,452)	2.45	(2.45)
Hoover	June 30	11,726	(6,707)	5.54	(5.71)
Jamesons Chocs.	June 30	157	(231)	0.849	(0.875)
Ladies Pride	May 31	321	(219)	0.9	(0.8)
Lubok Invests.	June 30	135	(34)	0.26	(Nil)
Madame Tussaud's	June 30	298	(221)	0.3	(0.26)
Ratcliffs (Gt. Bridge)	June 30	196	(510)	0.525	(0.525)
Rowton Hotels	June 30	244	(243)	2.0	(1.884)
Royal Dutch/Shell	June 30	457,400§	(567,400)	—	(—)
Status Discount	June 14	93¶	(118)L	Nil	(Nil)
Trust Houses Forte	Apr. 30	250L	(1,509)	1.75	(1.75)
Unidare	June 30	656	(812)	2.75	(2.5)
Westinghse. Brake	Mar. 31	1,525	(210)	0.676	(0.633)
York Trailer	June 30	605	(778)	0.67	(0.628)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. † Gross. ‡ Net. § Net income. ¶ For 28 weeks. L Loss.

Scrip Issues

Hogg Robinson Group: One-for-four.
Wagon Industrial Holdings: One-for-three.

Current trading satisfactory at Associated Leisure

IN HIS annual statement, the chairman of Associated Leisure, Lord Jessel, says that results for 1975-76 must depend on the success of Government measures to reduce inflation for the service the group provides "cannot escape the impact of rising costs."

In addition, budget changes could have a material effect, not necessarily unfavourable, on the current year's performance.

These two factors preclude a forecast but the current trading experience is "satisfactory," the chairman reports.

The aim is to achieve a higher return than is currently being obtained on available liquid resources and to gain a degree of protection against inflation. The directors regard property as an integral part of a developing leisure group.

Apart from this new element, the strategy remains to develop as a diversified leisure group based firmly on a strong and expanding amusement machine business. In pursuing this policy the Board will not lose sight of the importance of maintaining a fully liquid position to allow for the unexpected, members are told.

As reported on July 10, taxable profits were £1.30m. and turnover £10.75m. for the 44 weeks to March 16, 1975, compared with £1.84m. and £12.27m. respectively for the previous year.

On an annualised basis turnover increased by 4 per cent. The chairman says that, although this rise was modest, increased efficiency and the cost control programme were effective in keeping costs down.

An analysis of pre-tax profits shows (£000's omitted)—Amusement machines £1,254 (£1,752), leisure centres, etc. £109 (£53), financial items loss £7 (profit £3), financial items loss £7 (profit 31), and the associate company £38.

Net asset value is given as 31.5p against 29.4p or 16p (12.8p) excluding goodwill. The Loan Stock purchases, the investment in Stanneylands, and the heavy expenditure on new machines, have been largely offset by retained profits and depreciation, so net cash balances were only £604,000 lower at £2.78m.

As at July 16 J. Coral Holdings held 13.63 per cent. of the equity. Meeting, The Tavern, Lord's Cricket Ground, N.W., on September 5 at noon.

Peters Stores expansion

Peters Stores Group, which owns and operates about 75 fashion and leisure stores throughout England and Scotland, has acquired the lease of the five-floor shop premises previously occupied by Adrian Share (Interiors) in the centre of Newcastle upon Tyne.

When refitted in about eight weeks time it will re-open as the largest Peters Store in the group.

Meanwhile, furthering the expansion programme in Scotland a new Peters Store was opened this week at Glenrothes.

Johnson Construction

The order intake at Johnson Construction Equipment Group remains at a satisfactory level, but the unusually heavy backlog of orders of a year ago have now been reduced to more normal proportions, states Mr. B. B. Dearden, chairman, in his annual review.

The present economic difficulties, both in the home and world trading situations, make it "extremely difficult" to forecast the future trend, he says.

Referring to the first half of 1974/75 Mr. Dearden says that, while output was drastically affected by irregularity of supplies as an aftermath of the preceding period of three-day working, a considerable build-up of production was taking place and efforts made to bring suppliers back in to line.

Although some suppliers continued to cause "considerable difficulties in the second six months, the volume of output and sales achieved was "very substantially higher."

As reported on July 23 taxable profit increased from £112,557 to £176,039 for the year to March 31, 1975 and the dividend is up from 1.4875p to 1.585p net.

Exports totalled £0.96m., split as to Europe £202,454, Asia £506,345, Africa £206,593, The Americas £18,166 and Australasia £21,939.

Meeting, Prestbury on September 2 at 11.45 a.m.

Macpherson Powders

The joint venture company between Donald Macpherson Group and BICC Ltd., Macpherson Powders, has begun trading in the U.K. as a manufacturer of powder coatings for the home market and export.

It was announced on July 10 that agreement in principle had been reached to form the new company. This was finalised on July 31.

WILLIAMS LEA

The Elgin industrial estate, on which the new factory leased by Multi-sets, the business firms specialist company in the Williams Lea printing group, is located, is in Swindon, and not London as announced recently.

Scapa not to match last year's peak

MR. T. D. WALKER, chairman, told the Scapa Group annual meeting that the directors saw no reason why the current year should not produce a profit which, although down on last year's record, would enable the share capital "to be serviced at its present level with- out difficulty."

Last year was one when things went well with the group, but in his annual statement Mr. Walker reported that conditions deteriorated in the last quarter and he said prospects for the immediate future were less encouraging. He reported yesterday that, after four months' trading, the situation had not essentially changed.

The chairman said there was no present evidence that a revival of favourable conditions would be shown early enough to influence this year's results.

The paper and board industry both here and in most countries in the world was at present operating only at a fraction of its potential. The group's other fields of interest in industrial textiles had suffered rather less.

Overall, Mr. Walker added, the group companies were at least holding their share of available business. The group was very widely deployed and should receive early benefit from any upturn in trade he assured members.

Robt. Kitchen Taylor

Robert Kitchen Taylor and Co. states that, as a result of a secretarial error, the directors were incorrectly informed it was necessary to amend their borrowing powers. The company's solicitors now advise this is not the case, as the required powers already exist and are far in excess of present requirements—it is not therefore necessary to alter the Articles.

As there was no other business at the Extraordinary meeting on August 26 this will not now be held.

Mechanical Plant Services

Mr. Peter Thompson, managing director of Harvey Plant Holdings until the end of 1974, has formed a new company and acquired the Newton Abbot depot and assets of Harvey Plant Hire, part of the Lex Service Group.

The new company, Mechanical Plant Services, will continue to operate from the same premises with the existing staff. The base of its activities will be broadened during the next few months.

Hellenic and General

The Board of Hellenic and General Trust will keep in mind possibilities of giving shareholders the opportunity to dispose of their shares for cash at net asset value, the chairman, Mr. Charles Hambro, has told shareholders.

Earlier this year, Hambros, within whose group some 52 per cent. of the Hellenic shares were held, offered to acquire all the Hellenic Ordinary at 48p a share cash. The bid, to be by means of a scheme of arrangement, did not go through, since Court sanction was refused for the scheme after opposition from the holder of some 14 per cent. of the shares.

In a letter to shareholders, Mr. Hambro, who is also chairman of Hambros Bank, remarks that most investment trust shares on the stock market continue to sell at substantial discounts to net asset value. The announcement of the abortive offer said that 48p approximated to net asset value on March 13, 1975 as shown in unaudited accounts at that date.

Meanwhile, resources will continue to be invested in accordance with existing policy.

Third Mile to resume dividends

Gross revenue of Third Mile Investment rose from £4,566 to £18,786 in the first half of 1975, and there was a profit of £10,814 before tax of £627.

In the previous first half there was a loss of £3,257 which had increased to £7,513 by the year end.

First half earnings are given as 0.66p (loss 0.27p) per 25p share. There is no interim dividend but the directors intend to pay a final — the last dividend was 12 per cent. gross for 1964.

The directors say that although it is difficult to predict results in the present economic climate, they hope to see the improvement maintained during the next six months when the benefit of the increase in investment funds will be reflected.

No Lampa dividend—now well placed for any upturn

Following a loss of £775,254, against a profit of £475,546, in the first six months, a pre-tax loss of £770,526 is reported by Lampa Securities for all the year to April 30, 1975, compared with a profit of £869,592 for the previous 15 months.

After tax recoverable and allowing for minorities the year's net loss is £528,470 (£353,492 profit) —there is no dividend recommendation, against a total of 0.35p for the previous period.

The loss was struck after stock provisions in Hugh Moss (antiques and fine art of £976,424 and realised losses on investment dealings of £236,335—the accuracy of the £976,424 provision is the subject of qualification in the auditors' report.

The loss comprised £359,000 in antiques, etc. and £235,000 on portfolio investments, less £323,000 textile merchanting profit.

Mr. M. Horsman, chairman, who, when he reported last September had been in office for only a few weeks, says he then felt able to express some confidence about the future, but in the latter part of 1974, it became clear the position of Moss was giving cause for concern.

The effect of exceptional economic conditions in general and on art markets in particular had made trading very difficult and it became necessary to make the substantial provision against stock, as announced in February.

There has been a major reduction in overheads at Moss and all new projects have been temporarily shelved. As a result, Moss is now in a "far stronger" position.

Board policy has been to keep the investment portfolio liquid and as a result the group has a strong cash position. In spite of the difficulties faced over the past year, the board is optimistic.

The art world appears to have settled down and the company is well placed to take advantage of any opportunities which arise in the U.K. or abroad due to its overall financial strength, says Mr. Horsman.

Meeting, 5 Belgrave Square, S.W., September 3, at 11 a.m.

River and Mercantile

Gross revenue of River and Mercantile Trust amounted to £824,953 for the first half of 1975, compared with £883,753 for the corresponding 1974 period. The figure for the year 1974 was £1.6m.

Stated earnings per 25p share decreased from 3.94p to 3.8p in the six months, and net asset value is shown at 160p (77p at end 1974).

A dividend of 1.6p net is declared in respect of the quarter to March 31, 1975, and an interim of 0.3p in respect of the nine months' period to December 31, 1975. For the previous year an interim of 2.4p was followed by a final of 3.6p.

	Half year 1975 £	1974 £
Gross revenue	824,952	883,753
Taxation	261,544	296,730
Revenue	482,763	[illegible]
Preference div.	26,250	26,250
Available Ord.	456,513	472,975
Interim divs.	288,000	288,000
Book value invests.	15,929,763	14,263,973
Valuation invests	21,842,142	16,773,542

The company ceased to operate as a financial trust on December 31, 1974 and during the period January 1 to March 31, 1975 operated as an investment trust company. Further, in the opinion of the directors the company will qualify as an authorised investment trust with effect from April 1, 1975.

AVENUE CLOSE LIMITED

CHAIRMAN'S STATEMENT

The profit before taxation amounts to £366,321 (£263,211). After taxation £205,936 (£142,848) and minority interests £2,818 (£4,176), the amount available for distribution is £157,567 (£116,187).

During the year considerable progress has been made on developments undertaken by the subsidiary companies and this accounts for the increase in the Company's borrowings. Most of these developments are at, or near, completion and negotiations for letting are proceeding satisfactorily.

Despite the recent fall in property values the holdings of your Company have continued to appreciate and this is largely due to the rental reversions on its West End properties, which will start to accrue during the current year.

Your Company continues to be soundly based and the modest level of its borrowings is still well within the facilities available and your Directors look forward to the future with confidence.

A dividend of 1.148p per share was approved which, allowing for the 1 in 5 bonus shares issued during the year, represents an increase of 27.6%, the maximum permitted for a close company.

Pauls & Whites well ahead

Mr. S. J. L. Hill, chairman of Pauls and Whites, told the annual meeting that the company was well organised to meet current problems and figures for the first three months of this year showed a "significant increase" over the preceding period last year.

He saw no reason why there should not be further improvement in profitability this year.

J. I. Jacobs omits interim

John I Jacobs and Co. is omitting payment of an interim dividend, compared with 0.460p net.

Although profits have been earned for the half year to June 30, 1975, in view of the continuing depressed state of the tanker freight market the question of a dividend for the year will be reviewed when results for the full year are known, and in the light of the company's prospects at that time, the directors state.

The total for the year 1974 was 1.519p per 20p share.

Second half loss at Nova

A second half loss of £38,831 leaves pre-tax profit of Nova (Jersey) Knit at £14,169 for the year ended March 31, 1975. This compares with a profit of £78,636 in 1973/74 of which £29,656 came in the second six months.

There is a stated loss per 20p share of 0.3p during the year, against earnings of 0.8p and there is no dividend, compared with 0.3p net.

The directors explain that fabric turnover was deliberately contracted to streamline production and speed up the introduction of new-type fabrics.

A provision for possible machine obsolescence of £292,500 after tax has been set aside as an extraordinary item in addition to annual depreciation of £336,553.

Development costs in respect of new-type fabrics of £306,573 after tax have been written off and profit on repurchasing loan stock for cancellation of £207,518 has been brought in as an extraordinary item.

In view of satisfactory liquidity the company is carrying out its planned investment programme, the directors add.

	1974-75 £	1973-74 £
Fabric turnover	3,874,698	4,782,807
Technical services	56,188	3,730,800
Trading profit	91,669	179,435
Partnership loss	20,506	*17,301
Loan stock interest	96,000	114,100
Pre-tax profit	14,169	78,636
Tax	22,521	54,357
Net loss	8,352	*24,269
Extraordinary debits	462,265	197,774
Leaving loss	470,617	173,485

* Profit.

RECENT ISSUES

EQUITIES

Issue Price p***	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p***	+ or —	Div. Rate or Amount	Times covered	Gross Yield	P/E Ratio
‡	F.P.	—	178	155	Akroyd & Smithers	155	......	u12.8	1.7	12.1	7.6
$106	F.P.	—	£77	£75	Brazilian Invs. S.A.	£75	......	—	—	—	—
48	F.P.	11/7	56	48	Clive Discount (20p)	50	......	3.0	—	9.0	—
55	F.P.	21/8	56	55	Lawrence (Walter)	55	......	b4.8	2.7	12.6	4.5

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price	+ or —
‡‡	F.P.	21/8	93	89½	Adwest Grp. 10½% Cnv. 95/2000	91½	......
#100	F.P.	—	101½	£99½	Barclays Bank Int 9½% Capital Notes 1983	90	......
£100	£10	7/11	11¼	10	Barnet Corp. 13½% 1980	10½	......
£100	£10	7/11	12¼	10	Do. Do. 14% '84/5	10	—½
£100	F.P.	—	100	98¼	CSR 9½% Notes 1980	101½	......
**£99	£10	12/9	10½	9¾	Camb. Water 9% Red. Pref. 1980	98¼	......
£100	£50	—	49½	48½	Ciba Geigy (G.F.S.) 8½% Guar. Ln. 1982/86	48½	—1
£97½	£50	12/9	50⅝	48⅝	City of Westminster 13% Red. St. 1981	49¾	......
£92	F.P.	—	100	99	Clayton Dewandre 15% Deb. 90/5	99	—¼
£98½	£10	5/12	11$\frac{1}{16}$	10	Derby Borough Council 13½% Stk. 1982	10	—⅛
‡£99	F.P.	29/8	100¼	98¼	East Surrey Water 9% Red. Pref. 1980	99¼	......
‡£100	F.P.	—	104	100½	English Properties 12% Conv.Ln. 2000/5	96	......
£100	F.P.	—	106½	100	EnnisFinance(U.K.)9%ConvGtdUnsLn85-90	102½	......
£99	F.P.	31/7	112	100⅝	Folkestone Dist. Water 9% Red. Prf. 1980	100½	......
£100	£60	25/10	55¾	52	Hoechst 10% Guar. Ln. 1990	55½	......
‡£100	Nil	—	3½	¼	Land Secs 10% Conv. 90/5	1¾pm	—¼
‡£100	F.P.	21/8	107½	97	Mitchell Cotts 13% Conv. Uns. 90/5	101½	+½
£99	£10	—	10¼	9½	Newcastle & Gate 9% Red. Prf. 1980	9½	—½
£99	F.P.	31/7	112¼	100⅝	N. Surrey Water 9% Red. Prf. 1980	100½	......
‡£100	F.P.	—	105	87	Property Hldgs. & Inv. 9% Conv. 90/5	87	—3
£99	F.P.	29/8	99¾	99	Sunderland Water 9% Red. Pref. 1980	99	......
‡‡	F.P.	—	90	77½	Turner Curzon 15% Conv. Uns. '78-80	85	......
‡‡	F.P.	29/8	101¾	98¼	Whitbread 11% Conv. 1995	98½	—½

"RIGHTS" OFFERS

Issue Price p***	Amount Paid Up	Latest Renunc. Dates †	‡	Stock	Closing Price p***	+ or —
18½	Nil	13/8	10/9	Adams Foods	¼pm	......
110	F.P.	28/7	25/8	Anderson Strathclyde	107	—1
25	F.P.	7/7	21/8	Barrow Hepburn	34	......
46	F.P.	7/7	10/9	BOC Intl	41	—½
90	Nil	—	—	B.T.R.	27½pm	—½
115	F.P.	21/7	1/9	Bowater	133	......
50p	F.P.	25/7	5/9	British Steam Specialties	60	......
30	F.P.	21/7	29/8	Century Oils	34	......
36	Nil	—	—	Clayton Dewandre	11pm	+2
45	F.P.	6/8	4/9	CompAir	48	......
25	Nil	—	—	Crellon	1½pm	......
41	Nil	19/8	22/8	Crossley Building	1½pm	......
66	Nil	21/8	16/9	Davy Intl	3½pm	—½
72	F.P.	30/7	28/8	Dunbee-Combex-Marx	106	—2
25	Nil	15/8	19/9	Empire Stores	32pm	......
65	F.P.	4/7	21/8	Ever Ready	78	......
10p	F.P.	4/8	5/9	Feedex	18	—1
25p	Nil	15/8	5/9	Hanson Tst.	55pm	......
25	F.P.	21/7	11/8	Hazlewoods (Proprietary)	25	......
10p	F.P.	29/7	3/9	Headlam Sims & Coggins	12	+1
48	Nil	15/8	16/9	Law Land	¼pm	......
105	F.P.	30/7	15/8	Legal & General	105	—1
50	F.P.	18/7	21/8	London United Invs	66	......
35p	F.P.	25/7	20/8	Macfarlane Group	58	......
128	Nil	15/8	19/9	McCorquodale	17pm	......
210	F.P.	1/8	29/8	Metal Box	201	—4
32	Nil	20/8	2/10	Morgan Edwards	3pm	—1
105p	F.P.	21/7	29/8	Pegler Hattersley	105½	—½
$A1.50	Nil	—	—	Poseidon	50pm	......
67	F.P.	24/7	19/8	Redland	70	—1
106	F.P.	11/8	5/9	Renold	107	+¼
78	Nil	—	—	Royal Worcester	5pm	—1
40p	Nil	25/9	26/8	Scottish & Newcastle Brewery	2pm	......
10	F.P.	26/7	12/9	Senior Engineering	12½	......
27½	F.P.	10/7	21/8	Serck	31	......
60p	F.P.	25/7	12/9	Siebe Gorman	108	......
95p	F.P.	25/7	5/9	Smiths Industries	95	......
170	F.P.	8/8	3/10	Tate & Lyle	167	—1
50p	F.P.	31/7	16/8	Unicorn	51	......
35	Nil	15/8	12/9	Westland Aircraft	4pm	......
110	F.P.	6/8	29/8	Wheatsheaf Distribution & T.	116	—2

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. F Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ✤ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ◆ Issued to former Preference holders. ‡ Allotment letters (or fully paid). † Provisional or partly-paid allotment letters. § With warrants.

COMPANY NEWS IN BRIEF

AILSA INVESTMENT TRUST—Final 2.0542p making 3.4529p (3.49275p) year to May 31, 1975. Gross income £492,094 (£475,797). Net revenue £268,104 (£279,775) after tax of £144,340 (£133,366). Earnings per 25p share 3.63p (3.82p). Net asset value per share 103p (89p).

ARDERMOR INVESTMENT TRUST (subsidiary of River and Mercantile Trust)—Revenue available for shareholders for first half 1975 £290,358 (£272,703) after tax £161,902 (£153,865).

BOLLINGTON TEXTILE PRINTERS—Profit £80,366 (£73,714) for year to March 31, 1975, before tax £37,135 (£30,050). [illegible]

ALBERT FISHER GROUP (fruit and vegetable wholesalers and motor repairers)—Final dividend 0.326p net making 0.536p (0.5025p) year to May 31, 1975. Turnover £1,588,307 (£2,162,663). Profit £56,159 (£45,786) less tax £23,508 (£20,350). Dividends £21,440 (£20,100). Retained £6,208 (£5,336). Earnings per 5p share 0.09p (0.64p).

GOLD & BASE METAL MINES—Dividend 0.9p (0.5375p) net for 1974. Profit £421,977 (£191,750) less tax £219,621 (£83,243). Net profit £202,356 (£108,517). Extraordinary credit £2,587 (£8,000). Dividend £35,440 (£31,300), forward £610,079 [illegible]

[illegible] for half-year ended June 30, 1975, £100,279 (£102,172). Interest received £691 (£88,856), bank interest £60,955 (£40,353), management expenses £18,331 (£31,473). Profit £27,674 (£97,502) before tax £14,390 (£30,543). Available for Ordinary holders £13,284 (£46,697). Earnings per 25p share 0.17p (0.59p). Total net assets at market value including full dollar premium of 71.0 per cent. (66 per cent.) where applicable £2,043,847 at June 30 (£1,946,495 at December 31, 1974). Net asset value per share 33.0p (34.3p), or adjusted for contingent liability on U.S. $ loan 31.6p (19.3p).

[illegible]

WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

Early rally whittled away

BY OUR WALL STREET CORRESPONDENT

NEW YORK, August 8.

A FURTHER EARLY rally was again whittled away on Wall Street to-day, and the market drifted in further reduced trading.

After rising 7.19 to 822.98, the Dow Jones Industrial Average came back to 817.74, for a net gain of 1.95 which reduced its loss on the week to 8.76. The NYSE All Common Index, at $46.92, shed 18 cents on the day and dipped $1.18 on the week. Declines led advances by 841-to-475, while the trading volume further decreased 730,000 shares to 11.66m.—the lowest since December 2, 1974.

Some short-covering and bargain-buying was induced by a second successive decline in the money supply in the latest weekly reporting period.

But the Stock Market was held back by First National City Bank's unexpected prime rate increase to 7¾ per cent. from the prevailing 7½ per cent.

Late in the session, Armco Steel delayed until further notice the 9 per cent. increase on certain products announced earlier in the week and set to take effect on Sunday.

The recent U.S. Steel's 3.8 per cent. average price increase was followed by a Wage and Price Council statement that it would be studying reaction to U.S. Steel's announcement.

In Steels, U.S. Steel gained $1¾ to $63⅞ and Armco firmed $¼ to $27⅛.

Anaconda jumped $3 to $18⅛ on Crane's, off $½ to $46⅝, plans for a $125m. exchange offer for 5m. Common shares.

SCM advanced $½ to $11½ on June year net exceeding the previous year's record.

Standard Oil Ohio fell $2⅜ to $78⅛ on its plans for a 2m. share offering early next month.

Utah International fell $1⅛ to $62⅜ on reports that Peru seized a company in which Utah has a major interest.

GAC dropped $⅜ to $1⅛ on a first half loss and expectations of further losses.

Iowa Beef Processors were off $1⅛ at $24⅛.

The American SE Market Value Index was down 0.48 to 85.86, making a loss of 1.71 on the week.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume 000's
Aug. 8 ...	68.25	156.63	817.74	78.67	11,660
7 ...	68.28	156.65	815.79	78.64	12,390
6 ...	68.24	156.71	815.67	78.48	16,280
5 ...	68.31	156.79	810.15	78.57	16,470
4 ...	68.57	157.88	818.05	79.06	12,620
1 ...	68.64	160.40	826.50	79.65	15,520
July 31	68.61	161.83	831.51	79.50	14,540
30 ...	68.82	161.26	831.66	79.34	16,160
29 ...	68.86	158.29	824.86	79.50	19,000
28 ...	68.85	160.25	827.85	80.11	14,560
25 ...	68.61	161.12	834.08	80.01	15,110
24 ...	68.88	161.55	840.27	81.15	20,560
23 ...	68.97	162.69	836.67	83.37	20,150
22 ...	68.98	167.12	846.76	85.14	20,650
21 ...	68.81	170.15	845.74	85.30	16,690
18 ...	68.33	170.80	862.41	85.65	16,370
17 ...	68.88	172.16	864.26	85.81	21,420
1975 High	69.92 (4/4)	174.12 (5/5)	881.81 (15/7)	87.07 (24/6)	—
Low	66.16 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	166.52 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Aug. 1	July 25	Aug. 2, 1974
4.69	4.64	4.91

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4
51.24 (15/7)	37.06 (2/1)	46.92	48.10	46.09	46.09	46.62

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,778	475	841	462

	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4
New Highs	6	4	4	10	6
" Lows	14	12	18	19	15

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4
88.80 (15/7)	62.20 (2/1)	85.86	86.34	87.15	87.55	86.68
Volume (000's)		1,480	1,710	1,800	1,720	1,580

U.S. STOCK INDICES
STANDARD AND POORS

	*Industrials	†Composite
Aug. 8	96.56	86.02
" 7	96.87	86.30
" 6	95.79	86.25
" 5	96.74	86.23
" 4	97.75	87.15
" 1	98.68	87.99
July 31	99.58	88.75
" 30	99.63	88.83
1975 High	107.40 (15/7)	95.61 (15/7)
1975 Low	77.71 (8/1)	70.74 (8/1)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Aug. 6 1975	July 30 1975	July 31 1974
Ind. Ord. Yield pc ...	3.94	3.84	4.25
Ind. Ord. p/e ratio ...	10.30	10.85	10.29
Long-term Govt. Bds. per cent.	8.66	8.71	8.62

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Polaroid	287,000	33¾	−3½
Anaconda	229,600	18⅛	+3
Pamida	209,500	6¼	−⅛
CITI	126,500	33½	−⅞
Westinghouse Elec.	97,900	15	−1
U.S. Steel	96,400	63⅞	+1¾
Philadelphia Elec.	91,400	13¾	−⅛
General Motors	88,300	49½	+⅛
Georgia Pacific	75,100	40⅛	−⅛
Dow Chemical	73,100	90¼	—

TORONTO
INDUSTRIAL INDEX

Aug. 8	Aug. 7	1975 High	1975 Low
186.99	187.17	196.30 (15/7)	169.41 (2/1)

MONTREAL
INDUSTRIAL INDEX

Aug. 8	Aug. 7	1975 High	1975 Low
194.85	194.94	205.61 (15/7)	169.85 (2/1)

COMBINED INDEX

Aug. 8	Aug. 7	1975 High	1975 Low
189.04	189.04	199.99 (15/7)	158.02 (2/1)

JOHANNESBURG

	Aug. 8	Aug. 7	1975 High	1975 Low
Industrials	224.9	224.2	236.9 (16/7)	185.3 (23/1)
Golds	229.9	239.4	379.1 (2/1)	226.2 (13/4)

(1958=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Aug. 7	July 31	July 24
On Dividends	7.51	7.53	7.42
On Earnings	14.05	14.15	14.23

SYDNEY ALL ORD. INDEX

Aug. 8	Aug. 7	High 1975	Low 1975
360.74	361.20	385.56 (4/6)	289.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Aug. 8	Aug. 7	High 1975	Low 1975
312.41	310.86	335.11 (2/7)	266.24 (10/1)

HONG KONG INDEX *

Aug. 8	Aug. 7	High 1975	Low 1975
301.87	305.47	341.87 (9/6)	160.42 (9/1)

SINGAPORE INDEX §

Aug. 8	Aug. 7	High 1975	Low 1975
223.28	224.18	268.69 (11/6)	155.26 (8/1)

EUROPE

	Aug. 8	Previous	1975 High	1975 Low
Belg'm (a)	108.47	108.64	111.21 (16/5)	88.07 (2/1)
Denm'k (b)	91.43	91.33	92.50 (15/6)	75.06 (15/1)
France (d)	66.7	66.4	73.6 (25/4)	51.70 (2/1)
Germ'y (e)	708.1	707.5	726.1 (16/4)	575.5 (2/1)
Holland (f)	98.8	99.1	107.6 (6/5)	85.8 (2/1)
Italy (g)	83.40	82.97	106.86 (21/2)	81.53 (4/8)
Spain (h)	98.48	98.67	110.96 (22/4)	95.50 (4/7)
Sweden (k)	381.32	[illegible]	391.44 (1/8)	310.56 (8/1)
Switz'rl'd (m)	281.7	282.5	290.1 (6/6)	206.5 (3/1)

Indices and base dates (all base values 100):—(a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ϕ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

OTHER MARKETS

Canada mixed

Canadian Stock Markets were mixed in light trading yesterday.

The Industrial Share Index shed 0.18 to 186.99. Golds fell 13.3 to 363.39. Base Metals eased 0.32 to 77.30 and Papers lost 0.28 to 111.86, but Western Oils firmed 0.09 to 181.97. Utilities put on 0.08 to 128.30 and Banks gained 0.39 to 207.51.

PARIS—Steady in extremely quiet conditions, with French nuclear reshuffle shares attracting most interest.

Trading suspended in La Paternelle S.A., pending announcement from company.

BRUSSELS—Mixed in thin and rather nervous trading.

French, U.K. and Dutch stocks mixed, but Gold Mines and most other foreign issues eased.

AMSTERDAM—Drifted generally lower on lack of interest.

Akzo shed Fls.05 to Fls.37.7 on Press reports of dismissals of up to 13,000 workers at Enka Glanzstoff unit, despite denial by Enka.

State Loans eased.

SWITZERLAND—Lower in thin trading. Insurances quietly steady, Banks and Financials eased.

MILAN—Mixed in another dull session.

OSLO—Banks steady, other sectors quiet.

VIENNA—Quietly steady. Constructions higher.

COPENHAGEN — Narrowly mixed in moderate dealings.

GERMANY—Firm and more active.

Breweries improved, Banks and Electricals, however, mainly eased, while Steels and Stores generally rose. Chemicals little changed.

HONG KONG—Prices dropped in increased trading.

TOKYO—Firm on "cheap" buying. Volume 140m. (100m.) shares. Constructions and Housings continued in demand as Government expected to increase Supplementary Budget for Civil Engineering, Railways and Highway Construction.

AUSTRALIA—Generally mixed in quiet trading.

Pancontinental reacted 20 cents at $A5.80.

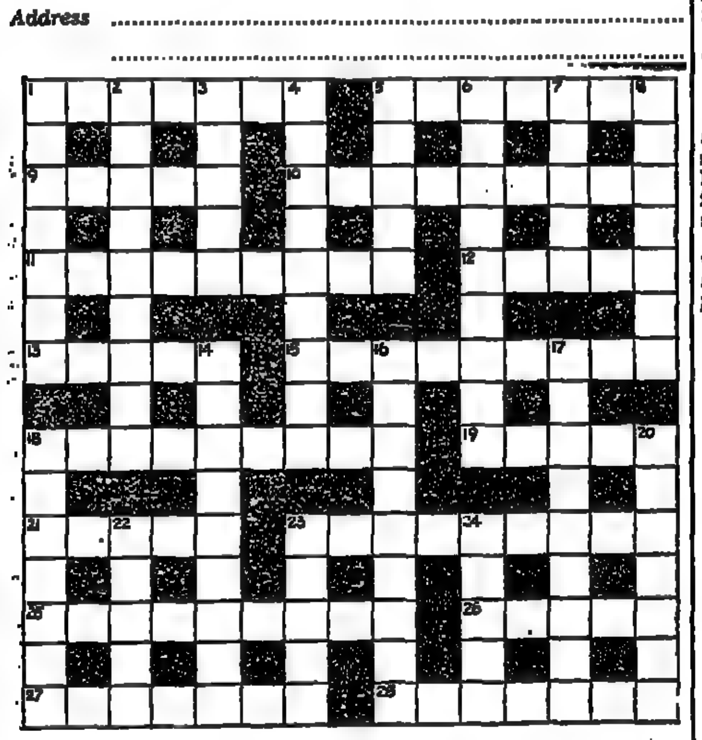
Bougainville fell 9 cents to 92 cents on lower profits.

F.T. CROSSWORD PUZZLE No. 2,851

A prize of £3 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



ACROSS

1 Trap could be mine before Autumn (7)
5 Look at boy returning in outrage (7)
9 Turn communist when stuck with beast (5)
10 Ordered to keep the peace in vault (5, 4)
11 Suitable gear for mooning about . . . (5, 4)
12 . . . can for example reverse colour slightly (5)
13 Sober way to get help (5)
15 Game for those in puckish mood (3, 6)
18 Finding tenants out of bed relaxing (7, 2)
19 Dawn of the NUS (3-2)
21 Goblin has information that is . . . (5)
23 . . . not the main question for team going out (4, 5)
25 Stall given rate increase (9)
26 Stage set in a bare Naafi (5)
27 Was Stalin a strawberry blonde? (7)
28 Something on foot with revolutionary consequences (7)

DOWN

1 Flying horse has a small whisky like you and me (7)
2 Name a key worker gives to shrew (9)
3 Gentle row after quiet beginning ends in muddle (5)
4 Socialists in Gateshead are in travail (9)
5 Avoid East-end side track (5)
6 It's odd in a breakdown of extras (9)
7 Daughter joins Russian boy on couch (5)
8 Pinching could make Neal cry (7)
14 Emphasise way to approach institution (5, 4)
16 Advisable to shift (9)
17 Pub favoured by college principal (5, 4)
18 Matchless device for causing inflammation (7)
20 Before Scots leader has time to forecast (7)
22 Rover drives a small number insane (5)
23 One raced around and acted as agent (5)
24 Cross at one speed (5)

SOLUTION TO PUZZLE No. 2,850

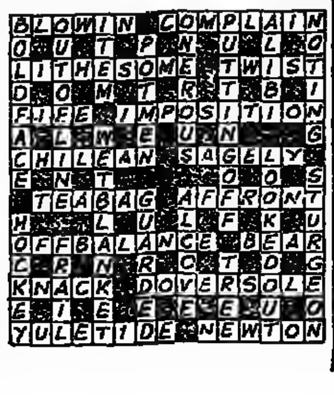
SOLUTION AND WINNERS OF PUZZLE No. 2,845

Following are the winners of last Saturday's prize puzzle:

Mr. H. Corlett, Stroanville, Laxey, Isle of Man.

Mr. T. D. Kingdom, 2 Grosvenor Road, Northwood, Middx. HA6 3HJ.

Miss V. Owen, "Seaview," Primrose Hill, Llanbadarn, Aberystwyth, SY23 3AT Dyfed.



RACING — BY DOMINIC WIGAN

Long Row again

CAIUS, who makes a habit of hitting his best form just in time for the William Hill Gold Cup at Redcar, turns out for his sixth consecutive appearance in the Yorkshire course's mile event (2.50) to-day.

The winner of this event once, and runner-up on three occasions, including last year when he went down in a photograph finish to Boswellia, Caius seems sure to be in the shake-up again.

However, on this occasion one whom I narrowly prefer is another horse just coming to his peak, *Long Row*. After finishing out of the frame in his first four races this season, Long Row showed he was far from a back number when out-classing seven useful handicappers in the Black Nest Handicap at Ascot on King George VI day.

There Eric Eldin's powerfully made Linacre horse took up the running inside the final furlong after being held up, and raced clear to put four lengths between himself and the runner-up, Acquaint, to whom he was conceding 10 lbs.

Long Row, penalised by only four pounds for that fluent success, appears to have no more to do here with 9 stone 6 lbs. and I hope to see him oblige at the main expense of Caius, and the Epsom-trained My Hussar.

In addition to the William Hill Gold Cup is another sponsored event on the programme, the Bass Rosebowl (2.15), in which the absence of Alphadamus and Lazenby will probably enable the recently-disappointing *Cave Warrior* to open his account for the season.

Michael Stoute, who has decided against running Alphadamus, has, however, declared *Abide With Me* for the North Yorkshire Stakes (3.50), and I doubt if he will have cause to regret the decision.

Mr. Yoshido Yamamoto's four-year-old made short work of Night Echo and Mont Michel, to whom he was respectively giving one pound and 20 lbs at Sandown three weeks ago, and although he has more to do here with such good handicappers as Reformed Character and Franc Flinders in opposition, I feel reasonably confident he will complete the double.

Lazenby, withdrawn from the Bass Rosebowl, goes instead for Haydock's Red Rose Handicap (2.15), in which he should provide the first leg of a double for that strong jockey Bruce Raymond, who also rides *Kashmir Love*, a confident choice for the Standish Handicap (3.15) in which the Kashmir II colt bids for his third course and distance victory.

Another jockey with obvious prospects of more than one success is Pat Eddery. *Après Demain*, his mount in the Hermitage Green Stakes (2.45) is reported to have come on considerably since running unplaced in Ascot's Granville Stakes, and he appeals as a good betting proposition.

Later in the afternoon, Eddery's partner, *May Hill*, should have few problems against sole rival *Cannes* in the Wigan Stakes (4.15).

REDCAR
1.45—Lampwick
2.15—Cave Warrior
2.50—Long Row
3.20—Easby Saint
3.50—Abide with Me*

HAYDOCK
2.15—Lazenby
2.45—Après Demain***
3.15—Kashmir Love
4.15—May Hill**

LINGFIELD
2.00—La Bambola
2.30—Sir Penfro
4.30—Word of Honour

NEWMARKET
1.30—Onedin Line
2.30—Slim Jim

DERBY FACTORY WINS CONTRACT

International Combustion of Derby has won an export contract worth £700,000 for the supply of sugar factory boilers to El Salvador. The contract follows a £1.4m. order for similar equipment in the Sudan.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—94% (91¼%)

NEW YORK

CANADA

GERMANY ♦

MILAN

SWITZERLAND ♦

PARIS

SPAIN ♥

AUSTRALIA

TOKYO ¶

Source Nikko Securities Tokyo

BRUSSELS

AMSTERDAM

STOCKHOLM

COPENHAGEN

OSLO ♦

VIENNA

JOHANNESBURG

COMPANY NEWS

Recovery prospects for Rothmans Intnl

PROVIDED THERE are no further adverse influences beyond the control of the directors of Rothmans International, and that overall sales performance can be maintained, a recovery in profit is looked for this year.

Stating this in his annual review the chairman, Lord Pritchard, stresses that financial resources are adequate to meet all foreseeable requirements.

He points out that U.K.'s continuing membership of the EEC is of "great significance" to the company which has more of its assets and profits based on Continental rather than U.K. operations.

Regarding the further "severe" increase in tobacco duty in the U.K. since the start of the current year, he says this rise will have an impact on the volume of sales and the profitability of the business in this market.

But there has been relief from the pressure on margins in West Germany where an overdue price rise was obtained. In other markets modest price rises have also come into effect or are in prospect.

As reported on July 2 group pre-tax profit for the year to March 31, 1975, was £21.41m., compared with £27.22m. for nine months and with approximately £37m. for the year to March 31, 1974. The dividend is 1.5235p net (1.1426p for nine months—or same on an annualised basis). Rothmans Tobacco Holdings owns 99.9 per cent. of the Ordinary and 36.3 per cent. of the "B" Ordinary.

Lord Pritchard says total short and medium term borrowings increased over the year by some £27m.

While there was some reduction towards the year end in interest rates, the charge against interest (excluding bond interest) was up 70 per cent. to £13.5m.

For all practical purposes the directors feel that the group's convertible bonds may justifiably be regarded as in the nature of permanent capital, especially in the case of the junior bonds. And the whole of the junior bonds representing some £92m. of the total figure of £147m., plus some £20m. of the senior bonds, are now owned by interests representing the major shareholder.

A valuation of the group's interest in land and buildings indicated a surplus of some £20m. over book values at March 31, 1974. The directors consider that the surplus was not substantially different at March 31, 1975.

A geographical analysis of group sales and trading profit in percentage shows: U.K. 10 and 11; Federal Republic of Germany 31 and 31; rest of Europe 40 and 20; Asia 13 and 27; other areas 6 and 11.

As known, Lord Pritchard having reached normal retirement age will be retiring from the chairmanship on September 30 and will be succeeded by the present vice-chairman, Sir David Nicolson.

Meeting: the Portman Hotel, W.1, on September 4 at 12.30 p.m.

Catalin's mid-term progress

Sales by Catalin for the first half of 1975 increased from £1.71m. to £2.47m., and pre-tax profit advanced from £129,000 to £180,000. The balance after tax and minorities, was £76,000, against £59,000.

Progress made in the first quarter was maintained in the second.

Reduced sales figures in some products were made up in others. By the end of the second quarter those products which had shown reductions in sales in the first had recovered to a very large extent, says the chairman, Mr. A. J. Perryman.

It is difficult to feel particularly confident that first half progress will be maintained, and yet the evidence from the company statistics supports a more confident approach and suggests it will have another good year unless there is a "catastrophic" fall in demand for products for the remainder of the year, but there is no such evidence at present, he adds. Pre-tax profit for the year 1974 was £371,848.

The company manufactures industrial resins and resin treated papers.

First half £2.77m. at Amal Metal

PROFIT before tax of Amalgamated Metal Corporation amounted to £2.77m. for the six months to June 30, 1975, compared with a restated £7.07m. for the previous comparable period. The 1974 year figure was a restated £12.1m.

AMC and Consolidated Tin Smelters having now merged, trading results for the six months have been prepared to reflect the new corporate organisation, with figures for 1974 restated on a comparable basis.

The levels of trading and margins have been affected by the slowdown in industrial activity which has now been in progress for some months. Bearing in mind these conditions, the group profit before tax is "reasonably satisfactory," they add. The comparable figure for 1973 would have been £2.04m.

Stated earnings per £1 share before extraordinary items are 13.7p (55.9p) in the first half and after extraordinary items 21.5p (54.3p).

The interim dividend is 4p net (same). Last year's total was 12.06p.

	Half year 1975	1974 —Restated—	Year 1974
	£000	£000	£000
Turnover	336,000	350,000	722,000
Pre-tax profit	2,770	7,070	12,097
Tax	1,480	3,100	5,495
Minorities	370	490	808
Extra ord credit‡	490	*100	*898
Net balance	1,410	3,470	4,846

‡ Represents exchange differences arising on assets held abroad, less estimated merger expenses of £125,000. * Debits.

U.S. Debenture revenue up

Gross revenue, including overseas tax, of The United States Debenture Corporation increased from £1,997,000 to £2,144,000 in the year to July 31, 1975, compared with £2,074,000 for the 12 months to January 31, 1975—the last financial year.

Investments were valued at £39.31m. at July 31, 1975 (£32.87m. at end of January 1975), and the asset value per 25p share is given at 82p compared with 68p including the full dollar premium and assuming full conversion of the convertible loan stock.

An interim dividend of 0.7p net has already been paid. Last year's total was 2.42p.

Allied Colloids outlook

WHATEVER happens in the home market in the current year, every advantage is being taken of opportunities available in the world markets of the Western world, Eastern Europe, the Far East and Africa, according to Mr. J. Dawes, chairman of Allied Colloids Group.

He reminds shareholders in his annual statement that the proportion of group sales made outside the U.K. in 1974/75 increased yet again.

As the need for a safer environment becomes more widely accepted and as the world's raw materials become scarcer and more expensive, the demand by industry for the company's industrial chemicals "will continue to grow," he says.

With this in mind, in the past three years the company has, out of a total cash flow of £3.8m., invested more than £2.75m. in new property, plant and equipment and it is now in a position to cope with an increased volume of business.

At the same time, because the capital programme is coming to an end, the directors expect that unless inflation continues with its resulting affect on working capital, liquidity will start to improve.

As reported on July 9, first quarter sales are "ahead" and there has been a significant improvement in margins; however, progress for the remainder of the year will depend on the general level of industrial activity throughout the world. The group "is well equipped to benefit from any improvement."

Turnover was up from £7.71m. to £10.67m. and pre-tax profit from £1.6m. to £1.66m. for the year to March 31, 1975. Dividends are up from 1.40717p to 1.49584p net.

Meeting, Bradford on September 4 at noon.

Edinburgh and General improves

Reporting a turnround from a loss of £55,000 to taxable profits of £3,000 for the half year to February 28, 1975, on turnover of £175,000, against £121,000, the directors of Edinburgh and General Investments say that, owing to the incidence of brokerage business, the first half produces lower turnover than the second—and they anticipate an improvement in the six months to August 31. In the year to August, 1974, there was a loss of £20,348.

First half tax absorbed £9,000 (same) and after extraordinary items there was a loss of £6,000 (£64,000). Minorities absorbed £4,000 (£88,000). leaving an attributable loss of £10,000 (£68,000).

FT/SOTHEBY'S REVIEW OF THE ARTS

Twentieth century records from the Victorian glassmakers' quest

BY OUR

A GROUP of seven examples of blue-and-white cameo glass by John Northwood and Philip Pargeter made between about 1876 and 1882 realised a total of £82,282 on July 24 at Sotheby's, Belgravia. This was another in a series of extraordinary prices for English cameo glass of the late 19th century, a type of glass which is now the most valuable of any country or any age.

The highest individual price in the group was the £30,000, an auction record for any piece of glass, paid for the famous replica of the Portland vase which was executed by Northwood and Pargeter between 1873 and 1876 and which, like its equally renowned original, is severely damaged. There is a fine irony in the price for, 46 years earlier, the original Portland vase, dating from about 50 BC and one of the greatest examples of Roman art, was sent for sale at Christie's and was bought in at £30,450. It was purchased by the British Museum 16 years later for an undisclosed sum. A week before the Northwood-Pargeter vase was offered, Sotheby's in Bond Street sold a magnificent and very rare 18th-century enamelled goblet by Beilby of Newcastle for £19,500, itself the auction record for glass at the time.

The Northwood-Pargeter Milton vase, which fetched £26,000 at Sotheby's, Belgravia, on July 24 in a sale which included seven examples in all of the two Victorian artists' blue and white cameo glass. The whole group realised £82,282.

Publicity

Apart from the Portland vase replica, the Northwood-Pargeter group included the Milton vase at £26,000, the "Science" tazza at £9,000 and the "Art" tazza and "Literature" tazza at £8,500 each. The publicity these prices gained drew attention to an area of 19th-century applied art in which there had previously been little general interest.

Prices for cameo glass have, however, been very high for the last decade, with the past five years seeing a truly exceptional increase. At Sotheby's in 1965, a red cameo glass plaque by George Woodall, one of the most famous makers, fetched £7,600, a price as remarkable then as the £30,000 for the Portland vase seems to-day; it was, at the time, an auction record for glass. This remained the top price for cameo glass until a four-coloured example by the Webb factory fetched £9,240 at Christie's in July last year. This piece is a firm pointer to a very strongly rising market over the last five years, for at Sotheby's in 1970 it had fetched £1,650.

Achievement

Another indication may be gained from a series of glasses by George Woodall of uniform size and type. In 1971, the "Syrenea" vase fetched £2,500; in 1974 "Aurora" made £5,200; and at Sotheby's Belgravia last month, "Mischief" fetched £5,800. At Christie's in June, an outstanding blue cameo vase by George Woodall, "The Milkmaid," was sold for £8,925, an auction record for his work; this piece may be compared to "The Wader," which fetched £3,250 at Sotheby's in 1970.

It is not difficult to see why English cameo glass should be so expensive. It represented a considerable technical achievement; the Northwood-Pargeter pieces were the first using this method of decoration for some 1,600 years. The finest pieces are of superb quality and even the more modest examples are very attractive. It is perhaps only in the choice of subject matter for decoration that this type of glass can be faulted; it tends to be heavily neo-classical as if the re-discovery of a classical technique necessitated a classical style. The Northwood-Pargeter replica of the Portland vase is, in technical terms, a splendid achievement but it is a copy.

Curiosity

It is not surprising that the technique was discovered when it was. Curiosity and experimentation was as typical of the Victorian artist as it was of the era's businessman or industrialist. The Portland vase was a famous, and slightly notorious object, for, while on loan to the British Museum in 1845, it had been smashed to pieces by an "inebriated neurotic" called Lloyd. Before this, in 1786-1790, Josiah Wedgwood had produced facsimiles of it in Jasper ware, which his factory continued to produce throughout the 19th century.

The fact that it was so famous prompted a search for the method of its manufacture, just as the sudden fashion for Chinese "Peachbloom" porcelain, and the very high prices paid for it, caused widespread experimentation with high temperature flambé glazes by many potters in Europe and the United States between 1870 and 1900. The Portland vase remains one of the best known works of art of any age to English people, although many of them, thanks to Wedgwood's copies, would probably not know whether it was made of clay or glass.

The technical problem is simply stated. The original Portland vase is made of two layers of glass, an outer one of opaque white glass and an inner one of a translucent blue glass. The difficulty facing Victorian makers was how to get the two different layers of glass to expand at the same rate and meld together. The problem was overcome by Philip Pargeter in the 1850s. A white outer layer was blown first, and while still warm, molten blue glass was dropped into it, and then itself blown.

Arduous

Stated like this, the process seems easy but it took years of experimentation to perfect the technique. After the two layers were fused, the outer layer was then acid etched with the design and finished by hand-cutting through to the blue layer beneath. This latter process was the one which was the most arduous—Northwood took three years to carve the Portland vase. The glass itself was extremely fragile and the Northwood-Pargeter Portland vase was cracked in two on a cold day by the warmth of the workman's hands.

Once the method had been discovered, the industry proliferated, mainly in Stourbridge, the centre of the English 18th century glass industry. Two brothers, George and Tomas Woodall, who had been apprenticed to Northwood, went to work for the Thomas Webb factory in about 1874 and produced fine cameo glass, often in three or four colours. Joseph Locke made his own version of the Portland vase when working for the firm of Hodgetts and Richardson in 1878 (both this version and the Northwood-Pargeter vase are now owned by the same American collector), and several other makers such as Stevens and Williams, Alphonse Eugène Lechevrel and the brothers Daniel and Lionel Pierce produced good examples. However, few of the later works equal the quality of the early Northwood Pargeter pieces.

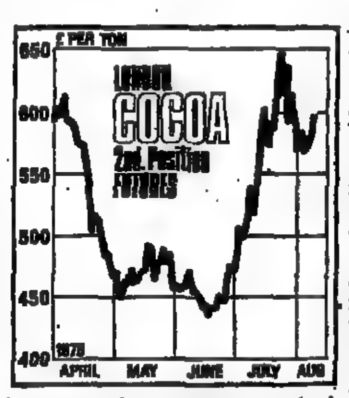
COMMODITIES/Review of the week

Metal prices leap ahead

BY OUR COMMODITIES STAFF

AN UPSURGE in values over the past two days took the prices of base metals and silver on the London Metal Exchange up to their highest levels for some months.

The weakening of sterling, particularly against the dollar, provided the major impetus for the upward movement. But all raw material and commodity markets are still being boosted by the major rise in grain prices caused by the big Soviet purchases and forecasts of poorer than anticipated harvests following the hot, dry weather throughout the Northern Hemisphere.



Copper prices touched a new high for the year yesterday due to the currency hedging and speculative buying. The high levels attracted some profit-taking but at the close cash wirebar were £603.5 a tonne, £26.25 higher than a week ago even though a further increase in LME copper stocks is expected.

The continuing rise in the Malaysian tin price on the Penang market, plus the general sentiment fostered by the movement in copper helped push LME tin prices to their highest levels since early February. Standard cash tin closed £105 up on the week at £3,242.5 a tonne.

Zinc values lost some of their early firmness on trade hedge selling and profit-taking after the three months position reached its highest level since last October. Cash zinc closed £9.5 up on the week at £343 a tonne while the three months position was £12 higher at £355.25 a tonne.

Lead prices followed a similar pattern of an early rise before profit taking to close with cash lead £10.875 higher at £183.5 a tonne.

Sugar also finished the week with a flourish. Further disappointing forecasts of European beet crops spurred a £15 increase in the London Daily Price for raw sugar yesterday bringing it to £215 a ton—£30 higher than the previous Friday. On the London terminal market some futures prices rose the permissible limit at one stage.

Following earlier reports of adverse effects of the dry weather on Dutch sugar beet, the French crop was said to be only average and yesterday Reuter reported from Brussels that Belgian Sugar Beet Institute first tests indicated that the crop might be the worst for 10 years because of late planting, widespread disease and drought.

Influenced by the firmness of grain, sugar and metal markets and by the sterling position London cocoa futures also rose sharply at the outset yesterday to end with December cocoa £27.5 up on the week at £597 a tonne. Practically all the week's rise was due to speculative buying and short covering as fundamental factors in the market have not altered a great deal.

First official estimates from Brazil of the extent of the frost disaster there were broadly in line with unofficial estimates and had little effect on the London coffee market. There was little to move prices during the week apart from the bullish effect of the Brazilian Coffee Institute's warning that it would not renew or extend expiring "special deals" with overseas importers, and the influence of the improved movement in other markets. November Robustas eventually finished the week £12.5 higher at £773.25 a tonne.

WEEKLY PRICE CHANGES

[illegible]

MARKET REPORTS

BASE METALS

COPPER—Advanced ahead on the London Metal Exchange, forward wirebars closing with a gain of £27 on the week. The weakness of sterling which has been a major factor in the general rise in metals this week had little impact yesterday, sentiment in copper being influenced by commission house and chartist buying. There was also a fair amount of profit-taking and trade selling, but after a very active day's trading prices closed at around their highest levels. Turnover 15,300 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	601-2	+16.25	605-6	+16
3 months	621-2	+16.25	625-.5	+16½
Settlem'nt	602	+16.5	—	......
Cathodes				
Cash	588.5-9	+16	590.5-1	+14
3 months	608.5-9	+16.25	610.5-11	+14
Settlem'nt	589	+16	—	......
U.S. Smt.	—	—	*60-63.7	......

Amalgamated Metal Group reported that in the morning cash wirebars traded at [illegible] three months [illegible]. Cathodes, cash [illegible] three months [illegible]. Kerb: Wirebars, three months [illegible]. Cathodes, all carried. Afternoon: Wirebars, cash, [illegible] three months [illegible]. Cathodes, cash, £590.50, three months untraded. Kerb: Wirebars, three months [illegible]. Cathodes, untraded.

Morning: Standard, cash, untraded, three months, [illegible]. High grade, untraded. Kerb: Standard, three months, [illegible]. High grade, untraded. Afternoon: Standard, cash, [illegible], three months, [illegible]. High grade mid-September, cash, and three months untraded. Kerb: Standard, three months, [illegible]. High grade, untraded.

TIN—Cooled down after the week's advance which has left forward standard metal with a gain of £114. Prices opened strongly yesterday following the fresh rise in Penang [illegible]

[illegible]

from North America but charterers' attempts to secure even lower rates for cargoes from the U.S. Gulf to Holland appeared unsuccessful. Grain bookings included U.S. Northern Range to Poland at $7 and $7.25 f.i.o. for Aug., while a cargo from U.S. Gulf to Poland paid $6.75 f.i.o. for Aug.-Sept. Barley cargoes were arranged from Churchill to Antwerp/Hamburg range at $8 f.i.o. for Aug.-Sept. and from the same loading area to Poland at $9 f.i.o. for Sept. A maize cargo was fixed from South Africa to Taiwan at $14 free discharge for Aug. and a wheat cargo from West Australia to Alexandria or Port Said at $17.50 f.d. for Aug. Miscellaneous chartering included alumina for Gove to the U.S. Gulf at $9.30 f.i.o. for Aug. A sugar cargo was covered from Queensland to St. John at £9.45 for Sept.

OIL TANKERS—The market was weaker in all areas. Exxon took a 145,000-tonner Persian Gulf to West loading Aug. 18 at W.S.27. A report said Champerco took 100,000-tonner P.G. to Formosa, Aug. 18 W.S. 30.

SILVER

Silver was fixed 4.60p an ounce higher for spot delivery in the London bullion market yesterday at 248.10p. U.S. cent equivalents of the fixing prices were: Spot 521.1c (516.3c); three-month 531.9c (527.4c); six-month 542.4c (538.3c); and 12-month 566.5c (561.2c). The metal opened at [illegible] ([illegible]) in a quiet day's trading and closed at 246.4-247.4p ([illegible]).

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	248.1p	+4.60	245.5p	-2.75
3 months	255.9p	+4.60	253.25p	-2.75
6 months	263.6p	+4.1	—	......
7 months	—	......	265.5p	-2
12 months	280.1p	+4.85	—	......

LME—Turnover 168 (231) lots of 10,000 ozs. Morning: Three months 257.0, 7.2, 7.0, 56.9, 56.2, 56.0, 55.8, 56.0. Kerb: Three months 255.5. Afternoon: Three months 254.5, 4.4, 4.3, 4.2, 4.4, 4.5, 4.7, 4.8, 4.9, 4.8, 4.2, 4.0, 3.5. Kerbs: Three months 254.7, 4.9, 4.8.

COCOA

Prices moved sharply ahead aided by buying influenced by currency considerations, reports Gill and Duffus.

[illegible]

COFFEE

[illegible]

FREIGHTS

[illegible]

RUBBER

[illegible]

SUGAR

[illegible]

SOYABEAN MEAL

[illegible]

JUTE

[illegible]

GRAINS

[illegible]

MEAT/VEGETABLES

[illegible]

WOOL FUTURES

LONDON—The market rose higher throughout the day with sellers backing away in sizeable turnover, reports Bache.

(Pence per kilo)

Australian Greasy wool	Yesterd'y's close	+ or —	Business Done
[illegible]	[illegible]	[illegible]	[illegible]

FINANCIAL TIMES

Aug. 8	Aug. 7	Month ago	Year ago
185.10	183.44	168.78	207.97

(Base: July 1, 1952=100)

REUTER'S

Aug. 8	Aug. 7	Month ago	Year ago
1173.6	1158.1	1123.3	1259.8

(Base: Sept. 18, 1931=100)

DOW JONES

[illegible]

MOODY'S

[illegible]

U.S. Markets

Copper and sugar rise: grains down

NEW YORK, August 8.

SILVER closed offered limit-down on heavy Commission House stop-loss selling. Copper edged higher despite expectations of another increase in LME stock levels. Sugar closed sharply higher following good trade buying. Cocoa opened strong following the weakness of sterling and continued fear of inflation, although later producer selling [illegible] values. Chicago grains finished lower on a bearishly-construed private crop production report and expectations of good week-end weather, Bache reports.

Cocoa—Ghana spot 78½ (77). Bahia spot 63½ (62½). Sept. 58.31 (57.35), Dec. 53.31 (52.70), March 51.10, May 50.30, July 49.85, Sept. 49.30, Dec. 49.85. Sales: 964.

Coffee—Spot Santos No. 4 unquoted (same). Colombian Mams 101.50 nom. (101.50 asked). "C" Contract: Sept. 84.51-85.00 (83.35-83.30), Nov. 84.20 nom. (82.50), Dec. 83.40-83.50, March 83.60, May 84.40-84.50, July 85.25 bid. Estimated sales: 379 lots.

Copper—August 57.90 (57.70), Sept. 58.20 (58.00), Oct. 58.80, Dec. 60.00 settlements. Sales: 1,825 lots.

Cotton—Oct. 49.80 (50.35-50.42), Dec. 49.75-49.50 (50.55-50.60), March 50.80-50.82, May 51.25 bid, July 51.85-51.95, Oct. 52.60-52.80, Dec. 52.50-52.95. Sales: 2,350.

ΦGold—August 161.50 (166.10), Sept. 163.00 (167.30), Oct. 164.00, Dec. 166.60, Feb. 169.70, April 172.70, June 175.70, August 178.70, Oct. 181.70, Dec. 184.70 settlements. Total sales: 2,265 lots.

Greasewool—Spot 145.0 nom. (143.5 nom.), Oct. 148.0-153.0 (145.0-145.5), Dec. 149.0-153.0 (148.0-150.5), March 148.0-152.0, May 148.0-152.0, July 149.0-154.0, Oct. 148.0 bid, Dec. 148.0 bid.

†Lard—Chicago loose 36½ traded (38 nom.). NY prime steam 38 nom. (38½ nom.).

††Maize—Sept. 309-308 (313½ bid), Dec. 300-299½ (304½ bid), March 308-309, May 313, July 313½.

‡Platinum—Oct. 165.50 (175.00), Jan. 172.80 (170.50), April 177.40, July 181.80 asked, Oct. 186.30 asked, Jan. 190.30 asked. Sales: 456 lots.

‡‡Silver—Spot 517.50 (522.50), August 504.50 (525.00), Sept. 506.50 (526.30), Oct. 513.00, Dec. 522.10, Jan. 526.40, March 535.00, May 543.20, July 551.30, Sept. 559.30, Dec. 571.30 settlements. Total sales: 11,340 lots.

*Soyabeans—August 605 asked (628 bid), Sept. 610½-612 (629½), Nov. 617-615, Jan. 626-625, March 633, May 643, July 648-647, August 647.

bSoyabean Meal—August 133.50-134.00 (137.00-136.70), Sept. 138.50-139.00 (141.40), Oct. 145.50, Dec. 145.50, Jan. 148.50, March 152.00.

Soyabean Oil—August 29.55-29.70 (30.65), Sept. 28.45-28.50 (29.23 bid), Oct. 27.45-27.50, Dec. 26.50, Jan. 26.00-26.05, March 25.65-25.75, May 25.50, July 25.20, August 24.80-24.85.

Sugar—Spot 20.00 (19.00). Sept. 20.30-20.20 (18.88-19.00), Oct. 19.50 bid (19.50 bid), Jan. 19.20 nom., March 18.80, May 18.30-18.35, July 18.19, Sept. 18.07, Oct. 17.92-17.90. Sales: 3,406.

Tin—322.50-394.00 nom. (356.25).

**Wheat—Sept. 385-386 (394½ bid), Dec. 400-402 (409 bid), March 412-413, May 415, July 398.

WINNIPEG, August 8. ††Rye—Oct. 281½ bid (283 bid), Dec. 265½ bid (278½ bid), May 284 bid.

cOats—Oct. 163 (165½), Dec. 159 asked (161½ bid), May 157 bid.

§Barley—Oct. 256 (258½), Dec. 251½ bid (254½ bid), May 250 bid.

dFlaxseed—Oct. 844 bid (845 bid), Nov. 833-824 bid (828 bid), Dec. 815, May 791 bid.

Wheat—SCWRS, 13.5 per cent protein content St. Lawrence 535 (same).

All cents per pound ex-warehouse unless otherwise stated. *Cents per 60-lb bushel ex-warehouse. Φ $'s per troy ounce—100-ounce lots. †Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b NY bulk tank cars. ‡‡Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

Walter Lees takes over as chief of Alfred Herbert

Mr. Walter Lees, latest leader of Alfred Herbert

Mr. John Buckley: a free hand to carry out changes

Mr. Neale Raine: relinquishes his position as managing director

Sir Richard Young: resigned as chairman early in 1974

BY PETER FOSTER

MR. WALTER LEES is the latest man to take up the hot seat of chief executive at Alfred Herbert, the long-troubled machine tool giant now the subject of a Government rescue operation.

His arrival comes just a month after the Government announced that it would be providing £25m. of long-term finance to Herbert in return for a majority shareholding which would be held by the National Enterprise Board.

After an early training with Albion Motors in Glasgow, Mr. Lees joined Caterpillar Tractor in 1957. He went on to Charles Churchill, the machine tool company, now part of the Machine Tool Group of Tube Investments, where he has been managing director since 1971.

Mr. Lees' appointment follows that of Mr. John Buckley as acting non-executive chairman in June. Mr. Buckley—who is chairman of Davy International, the engineering and contracting group—joined the Herbert Board in March to supervise the Government's rescue operation at the request of Mr. Anthony Wedgwood Benn, the then Industry Secretary. He has been given a largely free hand to carry out whatever changes he thought necessary to ensure the company's success and a change of chief executive has always been considered possible.

Herbert had been without a chairman since the resignation in early 1974 of Sir Richard Young, who had been with the company since early 1966. Sir Richard had been brought in from Tube Investments in the first of a long series of organisational and executive changes designed to arrest the company's decline.

He made a number of new appointments designed to strengthen the company in the areas of finance, marketing and product development. For a while he combined the roles of chairman and managing director until, in January, 1971, Mr. Neale Raine was brought in to be managing director.

During the two years after Mr. Raine's appointment the company had to live with a serious recession in the machine tools industry and profits continued to decline. When, after long discussions, the Government announced last October that it was to come to the company's financial rescue, Herbert had lost £11m. in 3½ years.

Motor traders deny Japan curbs pact

BY TERRY DODSWORTH; MOTOR INDUSTRY CORRESPONDENT

IN THE WAKE of the controversy that has developed over Japanese car imports to the U.K., senior officials from the British motor industry visited Tokyo last month for wide-ranging discussions with their Japanese counterparts.

The delegation was headed by Mr. Bill Batty, the former head of Ford who is this year's president of the Society of Motor Manufacturers and Traders, and included the SMMT's director, Mr. John Beswick.

Yesterday, the SMMT firmly denied reports that this group had brought back any agreement for the Japanese manufacturers voluntarily to restrict their exports to the U.K.

The Japanese had been anxious to talk about the problem areas that had grown up between the two countries, said the SMMT, and the meetings had been largely "educational."

Although this was the most concentrated series of meetings that have recently been held between representatives from the Japanese and British motor trades, there have been several previous contacts this year, both in Japan and the U.K.

Officials from JAMA, the Japanese equivalent of the SMMT, visited London at the time that the society lodged with the Department of Trade the anti-dumping application against Japanese cars which has since caused controversy among the Japanese manufacturers.

That application is still on the table, although after recent pronouncements from the Trade Secretary, Mr. Peter Shore, and increases in Japanese car prices, it is now felt to be redundant.

Instead, the spotlight has now shifted to the possibility of voluntary restrictions. These were hinted at in June by Mr. Peter Carey, Secretary (Industry) at the Department of Industry, when he told a Commons sub-committee inquiring into the motor industry that the Japanese "show themselves reasonable when one tackles them about possible disruption to domestic industry."

However, the Japanese manufacturers have made it quite clear in Tokyo recently that they have given no undertaking to restrain exports to the U.K.—a point reiterated by Toyota, the largest Japanese group, yesterday.

It may be significant that JAMA has always fought against agreements for voluntary restrictions in fact, JAMA refused to entertain such restraint under pressure from the Australians earlier this year.

On the other hand, Datsun U.K., the importer of Nissan cars, said as early as February this year that it was not aiming to increase its sales in the U.K. this year.

This claim has been treated with considerable scepticism in Britain, where Datsun's sales have already stormed ahead to 43,200 up to the end of July against a total of 58,750 last year.

But Datsun re-iterated once again yesterday that it is still not planning to exceed last year's total.

Toyota, with sales last year of 14,800 is the other key Japanese concern. Up to the end of July this year it had sold 11,760 cars, against a target set for the year of about 19,000.

The company said yesterday that although it does not quite expect to reach that target, mainly because of the drop in the U.K. market, it has no intention of cutting back deliberately.

Courtaulds will lay off over 1,000 for fortnight

THE £7m. Courtaulds factory at Skelmersdale New Town is to close for at least two weeks from August 18 because of a slump in trade, and more than 1,000 workers will be laid off.

The Courtaulds close-down is the second blow for the town within the last few days. Thorn Electrical Industries, Skelmersdale's largest employer, has already warned that the jobs of 1,500 people at its colour TV tubes factory are in jeopardy.

The closure, it said, was inevitable unless the Government took action to stop the "dumping" of foreign TV tubes. At present some 1,900 people are out of work at Skelmersdale, with another 700 temporarily stopped. Its 8.9 per cent. unemployment figure is almost twice the national average.

The news of the Courtaulds move was broken to employees when notices warning of the temporary closure were posted in the factory in accordance with an agreement with the unions.

Mr. John Billing, the production director, said: "We are in a situation where trade has steadily fallen for some time." The closure is designed to allow the factory to adjust to present conditions.

Price cut as Scottish paper goes tabloid

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

IN A further effort to regain readership, the Glasgow-based Scottish Daily News announced yesterday it will cut its price by 1p to 5p when it re-launches as a tabloid publication on August 18.

The price cut will mean the worker-directed enterprise will forfeit more than £9,000 a week if its sales do not rise above the circulation of 151,000 a day, which has been given as its audited average sale in the first 10 weeks since its early May launch.

The move is the first major decision to be announced since the paper's governing works council voted by a majority earlier this week to give "overlord" responsibilities for advertising and circulation to Mr. Robert Maxwell, chairman of Pergamon Press.

The price cut means the Scottish Daily News will cost the same as the Daily Mirror's Scottish sister-paper, the Daily Record, also a tabloid.

But it will be 1p cheaper than the Manchester-published Scottish Daily Express, whose readership has been the declared target of the SDN.

The paper says it "will set an example to all the rest of the trading community" by helping to cut the cost of living.

Norwegian Government agrees to BP deal

THE NORWEGIAN Government has now approved an agreement for the State purchase of BP's 50 per cent.-owned subsidiary in Norway, Norsk Braendselolje.

The agreement, which still has to receive parliamentary approval now expected by November 20, provides for the purchase of the company's assets for a price of 610 Norwegian Kroner (about £53m.), of which BP would receive 305m. N.Kr. Nearly half the private Norwegian shareholders in the company have signified their acceptance of the deal.

Included in the sale are Norsk Braendselolje's 49 per cent. share in the new Mongstad 80,000 barrel-a-day refinery plus the company's chain of depots and sales facilities, around 1,000 petrol outlets and a 30,000-ton product tanker under construction.

BP's newly acquired interests in North Sea exploration are not included and, following final approval of the deal in November, the company is planning to establish a wholly-owned subsidiary to deal in specialist products such as lubricants.

CONTRACTS

Henry Boot Construction wins £6.8m. Oldham work

HENRY BOOT CONSTRUCTION, Sheffield, has been awarded a contract worth £6.8m. by Oldham Metropolitan Borough Council for phase II of its civic centre development. This includes a tower block with administrative offices on ten floors and a public hall at ground level. Work is scheduled for completion in February 1978.

★

The largest single contract for high-mast lighting in Britain has been awarded to GEC STREET LIGHTING, which is supplying and installing 112 GEC masts for Stages 1 and 2 of the Renfrew Motorway in the City of Glasgow. The masts, which range in height from 18m. to 36m. will carry clusters of a new GEC variable optic high-mast lantern designed for use with the Osram 400w SON/T Solarcolour lamp.

★

TAYLOR WOODROW CONSTRUCTIONS, mechanical, electrical and process division has received a contract valued at approximately £153,000 from Costain Construction for the installation of mechanical services at Terminal 2, London Heathrow Airport. The contract is scheduled for completion in April, 1976. The work, to be undertaken while the terminal remains fully operative, is included in Phase 1 of an improvement programme to eliminate congestion and increase the terminal's passenger handling capacity.

★

MARCONI RADAR SYSTEMS, a GEC-Marconi Electronics Company, is to supply a Computerised Modular Monitoring (CMM) system to the Civil Aviation Authority for the new Scottish Air Traffic Control Centre at Atlantic House, Prestwick, at a cost of about £180,000.

★

Hudson's Bay and Annings, fur brokers, will take delivery of an £80,000 HONEYWELL Series 60 computer in October at its Beaver House, City of London headquarters. The model 62/40 will replace an existing G-115 computer and speed up sales processing as well as taking on general accounting applications now running on NCR accounting machines.

★

A contract for £73,000 to supply a PABX switchboard to Hackwood Service Company has been awarded to TELEPHONE RENTALS. The installation will be made at Hackwood Service Company's Gresham Street premises in London and will have 330 extensions and 77 exchange lines.

★

UNILOCK-TENON INTERNATIONAL is to supply and install more than 80,000 square feet of Slenderdee and Firesound partitioning on nine floors of BP Oil's new headquarters building in Victoria Street, London, S.W.1 (main contractors, Higgs and Hill).

★

SUTCLIFFE SPEAKMAN & CO., of Leigh, Lancs., which manufactures activated carbon adsorption equipment, has been awarded the contract for the granular activated carbon adsorption plant which is to be part of the CCMS Advanced Water Treatment Unit to be sited at the Coleshill Works of the Severn Water Authority. The contract, awarded by the Directorate of Water Engineering of the Department of the Environment, will be co-ordinated by Howard Humphreys and Sons, who are acting as consultants for the whole project.

★

ALLEN AND LESLIE INTERNATIONAL (NORWAY), part of the International BTR group, is completing on schedule a contract worth several million pounds for fabrication and installation of pipework on a Condeep oil production platform being built at Stavanger, Norway, for Shell/Esso. Now in the final stages of construction, the platform is due to be towed into position in Brent field soon.

★

BTR has supplied more than £100,000 worth of polypropylene and ptfe lined pipe and fittings for the new phosphoric acid plant being built for Albright and Wilson's Marchon Division at Whitehaven, Cumbria. The orders were won by the Chemical Plant Division of BTR SILVERTOWN, Burton-on-Trent, which specialises in corrosion protection of pipework, pumps and vessels with fluorocarbons and other polymers. This is believed to be the largest lined pipe installation of its kind in the U.K. Main contractors for the Whitehaven project are STONE AND WEBSTER ENGINEERING.

★

BTR HOSE, part of the BTR group, has been awarded another substantial Ministry of Defence contract for its patented fuel delivery hoses. These nylon-lined lay-flat hoses are designed to convey petrol and aviation fuels over long distances under arduous conditions without contamination.

★

BTR BELTING, of Leyland, Lancashire, has received an order from Fletcher Sutcliffe Wild for a blast furnace project which forms part of British Steel Corporation's Redcar Stage 2 development, phase B. It is for textile and steel-cord reinforced rubber belting on an integrated conveyor charging system.

★

MILES REDFERN, Dunstable, part of the BTR group, is supplying the impact-absorbing bumpers for Triumph TR7 sports cars exported by British Leyland to the U.S. The bumpers were designed to meet proposed Federal regulations for the prevention of damage to cars in crashes at up to 5 m.p.h. Miles Redfern is also supplying front bumpers for America-bound Jaguar XJ6s and has obtained contracts for the complete bumper system on a new Jaguar model to be introduced soon.

★

SIGNODE, of Fforestfach, Swansea, Glamorgan, has been awarded the contract to supply three automatic power-strapping machines in the first phase of the projected two-strand rod mill at the Sheerness Steel Company, Sheerness, Kent. The Signode model M32/RVC machines, housed in a custom-built rod coil compactor, will be installed and commissioned in early 1976—coinciding with the opening of the new 225,000-tpy mill.

This week's SE dealings

Friday, August 8	4,539	Wednesday, August 6	3,887	Monday, August 4	3,480
Thursday, August 7	4,099	Tuesday, August 5	3,559	Friday, August 1	3,526

The list below records all yesterday's markings and also the latest markings during the week of any share not dealt in yesterday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

The list below gives the prices at which bargains done by members of The London Stock Exchange have been recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian: $B—$Bahamian: $C—$Canadian: $HK—$Hong Kong: $J—$Jamaican: $Ma—$Malaysian: $Me—$Mexican: $NZ—$New Zealand; $S—$Singapore: $US—$United States: $WI—$West Indian.

BRITISH FUNDS, ETC. (580)

2½pc Anns. 16½ (6/8)
3pc British Transport Stk. 1978-88 45¾⊕ 44⊕ 5½ ¼ 4½ 5⅝ 5 ½ ⅞
4pc British Transport Stk. 1972-77 88¾⊕ ½⊕ ⅝ ¾ ½
2½pc Cons. Stk. 18⊕ 17⅞

Barclays Bank 232⊕ 5 2 4 7 3. 8½pc Unsec.Ln. 60¼
Barclays Bank International 7¾pcUnsec. Ln. 55 (5/8)
Bates (Edward) Sons (Hldgs.) (25p) 47⊕ 6½ 6
Brown Shipley Hldgs. 168 70 (4/8)

Brasway (10p) 50
Breedon and Cloud Hill Lime Works (25p) 61⊕
Brent Walker (5p) 30
Brickhouse Dudley (10p) 22¾ 3 (5/8)
Bridon (25p) 119⊕ 21⊕ 18⊕ 18 21 18. 8¾pcUnsec.Ln. 40½⊕ (7/8). 7¾pcUnsec Ln. 45⊕ (7/8)
Bridport-Gundry (Hldgs.) (20p) 24¾ 5 (6/8)

Fairbairn Lawson (25p) 16 15½ (5/8)
Fairdale Textiles (5p) 11 10 (4/8)
Fairey (25p) 55⊕
Fairfax Jersey Grp. (10p) 6½ (5/8)
Fairview Estates (10p) 41⊕ 38
Farm Feed Hldgs. (25p) 31 (7/8)
Farnall Electronics (20p) 59 (5/8)
Feb Internl. (10p) 12 (6/8). A (10p) 11 (6/8)

هكذا من الاصل

NEW HIGHS AND LOWS FOR 1975

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new highs and lows for 1975.

NEW HIGHS (7)

BEERS (1)
Bulmer (H. P.)

ENGINEERING (1)
Tobenoll

OILS (1)
Int. Oil

MINES (4)
Lydenburg Pot. Plat. — Union Plat. — Waterval

NEW LOWS (19)

BRITISH FUNDS (1)
Treas. 12¾pc 1992

LOANS (Miscel.) (1)
FFI 13pc 1981

CANADIANS (1)
Peoples Dept. Stores

ENGINEERING (2)
Auto-Oil — Spooner Inds.

FOODS (1)
Glass Glover

INDUSTRIALS (4)
Chamberlain Phipps — W'minster City Prop. — R.T.D. Group — Witter (T.)

PAPERS (1)
Watmoughs

PROPERTY ([illegible])
Lond. Prov. Shop. — Slough Estates 10pc Conv.

SHIPBUILDERS (1)
Swan Hunter

SHIPPING (1)
Jacobs (J. I.)

TRUSTS (1)
Rubislaw Inv.

TEAS SRI LANKA (1)
Tea Corporation

MINES (3)
BH South — Geevor — Poseidon

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
Shell Transport ...	25p	14	302	+ 7	343	118
ICI	£1	12	241	− 2	302	118
Marks & Spencer	25p	10	90	+ 1	128	47½
Charterhall Fin'ce	5p	9	53½	—	65	17
Boots	25p	8	97	+ 2	138	45½
Glaxo	50p	8	330	+ 2	427	198
Hanson Tst. 'New'	Nil/pd.	8	56*	—	57*	48*
RTZ	25p	8	172	+ 2	211	80
"Bats"	25p	7	270	+ 2	338	164
Distillers	50p	7	104	—	150	65½
Dunlop	50p	7	40	—	59	17
Inchcape	£1	7	362	+ 2	422	150
Midland Bank	£1	7	220	—	305	122
Rank Org. 'A'	25p	7	118	− 2	205	78
Scot. & New 'New'	Nil/pd.	7	2*	—	3½*	1½*

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e) and reproduced to-day in Stock Exchange dealings.

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price(p)	Change on week	1975 high	1975 low
ICI	£1	78	241	− 5	302	118
Shell Transport ...	25p	59	302	+20	343	118
"Bats"	25p	54	270	−13	338	164
Hanson Tst. 'New'	Nil/pd.	49	56*	+ 3	57*	48*
BP	£1	46	463	+18	555	190
GEC	25p	41	111	− 2	133	51
Marks & Spencer	25p	40	90	− 3	128	47½
Midland Bank ...	£1	40	220	—	305	122
Barclays Bank ...	£1	39	235	—	325	112
GUS 'A'	25p	37	147	− 2	226	86
Distillers	50p	36	104	− 3	150	65½
Thorn Elect. 'A'...	25p	35	150	+ 2	196	75
Burmah Oil	£1	34	28	—	100	27
Courtaulds	25p	34	110	—	140	53
Westl'd Air. 'New'	Nil/pd.	34	4*	+ ½	4*	1*

* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug. 5	Aug. 18	Oct. 30	Nov. 11
Aug. 19	Sep. 1	Nov. 11	Nov. 25
Sep. 2	Sep. 15	Nov. 27	Dec. 9

"Calls" were arranged in Lonrho, Consolidated Gold Fields, ICI, Charterhall, Premier Consolidated and Tate and Lyle. No "puts" were reported, but double options were transacted in Grand Metropolitan, Rank Organisation 'A' and ICI.

Industrials							
A. P. Cement	15	Grand Met.	7	Slater Walker	9	Mines	
Assoc. Leisure	5	G.U.S. 'A'	17	Spillers	5	Anglo Amer.	60
Barclays Bank	25	Guardian	30	Tesco	5	Broken Hill Prp	75
Beecham	25	G.K.N.	22	Thorn "A"	17	Charter Cons.	22
Boots Drug	12	Hawker Sidd.	27	Tube Invest.	24	Chart'rh'll Fin.	10
Bowaters	16	House of Fraser	8	Unilever	35	Cons Gold	2
B.A.T.	30	Hudson (Wilms.)	4	Utd. Drapery	10	De Beers Def.	55
British Leyland	1¼	I.C.I.	21	Vickers	15	F. S. Geduld	500
BOC Int.	5½	"Imps"	7	Woolworths	6	Great Boulder	12
Burton 'A'	5	I.C.L.	7			Hampton Areas	15
Cadburys	6	Inveresk	7	Property		Hampton Prop.	4
Courtaulds	12	Legal & General	13	Cap. Counties	7	Kloof	140
Debenhams	8	Lloyds Bank	22	E.P.	11	Lonrho	15
Distillers	13	"Lots."	6	Int. Europe	7	Loraine	65
Dunlop	5½	"Mams"	6	Land Securities	22	Metals Explor.	8
Eagle Star	15	Marks & Sp'ncer	11	Peachey	7	Poseidon	55
E.M.I.	17	Midland Bank	25	Town & City	6	Pres. Steyn	275
First National	2	Nat'l West Bank	22	Town & Comm.	7	Rio T. Zinc	20
G.R.A. Trust	4	P & O Dfd.	10			Welkom	65
Gen. Accident	16	Plessey	8	Oils		West Areas	75
Gen. Electric	15	R.H.M.	6	Brit. Petroleum	45	Western M'ng	18
Glaxo	40	Rank Org. 'A'	17	Burmah Oil	6	Zambia Copp.	10
		Reed Int'l	25	Shell	30		
				Ultramar	21		

LOCAL AUTHORITY BOND TABLE

Authority (*telephone number in parentheses*)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Barking (01-592 4500)	11½	½-year	1,000	3-5
Burnley (0282 25011)	12	½-year	1,000	3-5
Dudley (0384 211595)	12½	½-year	1,000	3-4
Greenwich (01-854 8888)	12½	½-year	10,000	3-5
Greenwich (01-854 8888)	12½	½-year	500	3-5
Knowsley (051 548 6555)	12½	½-year	5,000	3-5
Liverpool (051 227 3911)	12	½-year	500	3-4
Liverpool (051 227 3911)	12½	½-year	500	5-7
Nuneaton (0682 326 211)	12½	½-year	1,000	3-5
Redbridge (01-478 3020)	12½	½-year	2,000	3-5
Sandwell (021 569 2226)	12	½-year	1,000	2-5
Sefton (051 922 4040)	12	½-year	2,000	3-5
Sutton (01-642 6060)	12½	½-year	500	3-5
Thurrock (0375 5122)	11	½-year	300	1-2
Wandsworth (01-874 6464)	12½	½-year	5,000	4-5
Wandsworth (01-874 6464)	12½	½-year	1,000	4-5

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	44	3	6
Corpns. Dominion and Foreign Bonds	1	33	37
Industrials	177	345	1,276
Financial and Prop.	33	181	391
Oils	6	8	18
Plantations	2	8	38
Mines	64	16	73
Recent Issues	3	22	43
Totals	330	[illegible]	[illegible]

(By permission of the Stock Exchange Council)

U.K. CONVERTIBLE STOCKS 8/8/75

Statistics provided by *data STREAM International*

Name and description	Size (£m.)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.▽	Cheap(+) Dear(−)◇ Current
Acrow Engineers 8pc P.Cv. 82-02	7.38	50.00	●	77-87	16.3	16.5	110.4	73 to 112	16.9	45.6	120.9	+10.5
Alcan Aluminum 9pc Cv. 89-94	12.00	65.00	100.0	76-80	14.1	14.7						
Associated Paper 9½pc Cv. 85-90	1.40	63.00	200.0	76-85	15.2	16.3	21.2	19 to 59	49.0	48.7	−0.7	−21.8
Bank of Ireland 10pc Cv. 91-96	10.25	129.00	35.7	77-90	8.0	7.3	18.4	11 to 32	45.3	63.7	16.9	− 1.5
BPB 7¾pc Cv. 89-94	5.00	75.00	62.0	72-80	10.7	11.4	28.7	12 to 35	21.8	28.3	11.1	−17.6
English Property 6½pc Cv. 98-03	19.98	96.00	234.0	76-80	6.9	7.0	−8.8	−35 to −2	33.3	23.7	−9.1	− 0.3
Grand Metropolitan 10pc Cv. 91-96	121.90	76.00	120.2	73-78	13.8	14.1	15.0	6 to 22	15.4	21.4	9.0	− 5.9
Hanson Trust 6½pc Cv. 88-93	4.51	55.00	57.1	76-86	12.4	13.6	18.8	10 to 31	39.8	36.4	−7.4	−26.2
Heron Motor 10pc Cv. 85-90	2.00	55.00	166.0	75-85	18.8	19.8	10.4	10 to 44	42.7	52.1	19.0	+ 8.5
Howden-Stuart 7pc Cv. 1995	0.72	135.00	280.0	75-95	5.2	4.4	30.3	− 5 to 30	47.9	45.3	−2.5	[illegible]
Lyons, J. 7½pc Cv. 1981	3.60	72.00	22.7	75-81	10.5	15.2	164.0	90 to 184	12.0	30.0	65.8	[illegible]
Mercantile Credit 9pc Cv. 1980	12.66	82.00	138.0	76-80	10.9	13.9	108.5	83 to 206	[illegible]	[illegible]	66.9	−41.6
Slough Estates 10pc. Cv. 87-90	5.50	120.00	125.0	78-87	8.6	7.8	47.7	25 to 48	24.6	56.0	38.7	− 9.0
Toner, Kemsley 8pc Cv. 1981	7.38	85.00	153.8	74-79	9.7	12.0	41.7	23 to 43	16.0	24.6	14.2	−27.5
Wilkinson Match 10pc Cv. 83-98	11.10	76.00	40.0	76-83	13.5	13.7	72.0	41 to 74	23.2	47.2	54.9	−17.1

● 33 Ordinary "A" shares (non-voting) plus £70 unsecured loan stock.

* Number of Ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent. of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of Ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on Ordinary shares is greater than income on £100 nominal of convertible or the final conversion date, whichever is earlier. Income is assumed to grow at 5 per cent. per annum and is present valued at 15 per cent. per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 15 per cent. per annum. ▽ This is income of the convertible less income of the underlying equity expressed as per cent. of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent. of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

BUILDING SOCIETY RATES

	Dep.	Share Accnts.	Sub'pn Shares	Variable Term Shares
Abbey National	6.75%	7.00%	8.25%	●8.00%
Alliance	6.75%	7.00%	8.25%	‡‡7.75%
Anglia	6.75%	7.00%	8.25%	‖7.75%
Birmingham Incorporated...	6.75%	7.00%	8.25%	—
Bradford and Bingley	6.75%	7.00%	§8.25%	—
Bristol and West	6.75%	7.00%	8.00%	—
Bristol Economic	6.75%	7.00%	8.25%	†7.25%
Cardiff	6.75%	7.50%	8.50%	—
Chelsea	6.75%	7.00%	9.00%	†7.25%
Cheltenham and Gloucester	6.75%	7.00%	—	‡7.75%
Citizens Regency	6.75%	7.25%	8.75%	—
City of London	7.00%	8.00%	8.50%	—
City and Metropolitan	6.75%	7.25%	7.50%	¶8.00%
Coventry Economic	6.75%	7.00%	8.75%	§§7.75%
Gateway	6.75%	7.00%	8.25%	¶7.75%
Greenwich	6.00%	7.10%	8.50%	—
Halifax	6.75%	7.00%	7.50%	¶7.75%
Hastings and Thanet	6.75%	7.00%	8.25%	—
Hearts of Oak & Enfield...	6.75%	7.25%	8.50%	—
Hendon	7.00%	7.30%	—	*8.05%
Huddersfield and Bradford	6.75%	7.00%	8.50%	♡7.75%
Leamington Spa	6.87%	7.12%	9.50%	7.50%
Leeds and Holbeck	6.75%	7.00%	8.00%	—
Leeds Permanent	6.75%	7.00%	8.25%	—
Leek Westbourne and ECBS	6.75%	7.00%	8.25%	¶¶7.75%
Leicester	6.75%	7.00%	8.25%	††7.75%
Liverpool	6.75%	7.00%	8.30%	*7.50%
Magnet	6.75%	7.00%	7.75%	♡7.75%
Mornington Permanent	6.45%	7.65%	—	—
National Counties	7.00%	7.25%	8.25%	◇7.75%
Nationwide	6.75%	7.00%	7.50%	♣8.25%
Newcastle Permanent	6.75%	**7.00%	7.75%	8.00%
Northern Rock	6.75%	7.00%	8.00%	‡7.75%
North London	7.75%	8.25%	—	♣9.15%
Norwich	6.75%	7.00%	8.25%	—
Paisley	7.25%	7.00%	8.00%	‖‖7.50%
Property Owners	6.75%	7.50%	8.50%	†7.85%
Provincial	6.75%	7.00%	8.25%	7.75%
Skipton	6.75%	7.00%	7.25%	—
Sussex Mutual	6.25%	♠7.30%	—	—
Woolwich Equitable	6.75%	7.00%	8.25%	¶7.75%

* Minimum £2,000 6 mths. notice. † 3 mths. ‡ 3 yrs. § 3 yrs. including bonus. ¶ Min. £500 2 yrs. fixed. ‖ 4th issue 2 yrs. ● 2 yrs. over £5,250. ** 7.50% over £5,000. †† 2-3 yrs. ‡‡ 2 yrs. §§ 7.50% 3 mths. notice after 9 mths. ¶¶ 2 yrs. £1,000 min. ‖‖ 2 yrs. £2,000 min. ◇ 2 yrs. £3,000 min. ♡ Min. £100 2 yrs. fixed. ◇ Min. £1,000 6 mths. notice. ♣ 3 yrs. over £5,000. ♠ 7.55% over £5,000.

STOCK EXCHANGE REPORT

Unchanged Minimum Lending Rate helps market

Index up 1.1 at 278.8, but 7.9 down on Account—Gilts rally

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
July 28	Aug. 7	Aug. 8	Aug. 19
Aug. 11	Aug. 20	Aug. 21	Sep. 2
Aug. 22	Sep. 4	Sep. 5	Sep. 16

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Steadier conditions prevailed in stock markets as one of the quietest Accounts on record came *to a close yesterday*. The course of interest rates continued to dominate sentiment and, although *Minimum Lending Rate remained* unaltered at 11 per cent., this factor was tempered to a certain extent by news of an increase of ¼ per cent. to 7¾ per cent. in Citibank's Prime Rate which brought about fresh uncertainty in the latter dealings. Nevertheless, Gilt-edged staged a minor rally, closing with gains ranging to ⅝ after the previous day's sharp setback. The Government Securities index picked up 0.20 to 59.73, but still showed a loss on the week of 0.71.

Leading equities barely stirred from Thursday's closing levels until the late afternoon when scattered bear closing left prices a penny or so dearer. Unaltered at 3 p.m. at 277.7, the FT 30-share index ended 1.1 higher at 278.8. *Over the week* and the Account, however, the index recorded falls of 4.0 and 7.9 respectively.

Quiet rally in Funds

Once again, secondary-issues showed very few changes and features were few and far between. There was another small increase in activity as measured by official markings of 4,539 compared with 4,099 on Thursday, but the week's average daily of bargains 3,913 were the lowest on record and well illustrated the almost complete lack of interest throughout.

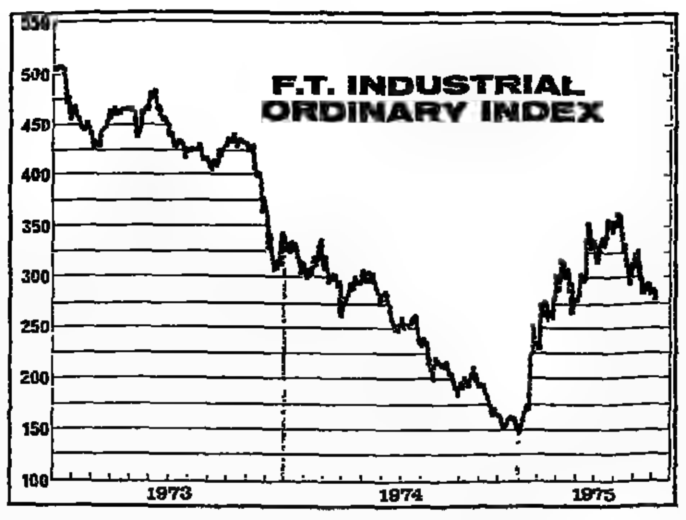
British Funds took little heed of early talk of a pending increase in Minimum Lending Rate and staged a quiet recovery, which was probably helped by bear covering. Early afternoon indications that MLR would remain unchanged failed to spur buyers and the subsequent news of a U.S. Prime rate increase to 7¾ per cent. *likewise incited little* selling. Finally, the mediums showed gains ranging to ⅝, after ½, *while the longs were generally* ¼ better. Speculative interest ahead of the stock being quoted in ex-dividend form on Monday put Treasury 9 per cent., 1978, up ⅜ to 95¼. Corporations falls were usually to ¼.

A late demand, largely from one source, found the investment currency market very sensitive in front of the week-end and the premium quickly rose to 95¼ per per cent. before reacting to close a net 2¼ up at 94 per cent. Press comment helped Romanian Bonds improve and the 4 per cent. Consols gained a point to £12. Among Canadians, Peoples Departmental Stores fell 125 to 460p in line with domestic market influences. Yesterday's SE conversion factor was 0.6428 (0.6419).

Banks mixed

Very little interest was shown in the big four Banks, which ended mixed. National Westminster *picked up 5 to 190p, but* Lloyds shaded 2 to 180p. Discounts generally gave ground, with *Alexanders, 173p, Cater* Ryder, 205p, and Gillett Bros., 140p, all 5 lower. Merchant banks had two *isolated firm spots*, C. T. Bowring improved 3 to 53p with the help of Press comment, and *demand in a thin market helped* Wintrust secure a similar rise to 60p, after 63p. Hire Purchases were friendless, with Lloyds and Scottish and Provident Financial both 2 lower at 52p and 62p respectively.

Insurances managed to edge higher in places. Ahead of Monday's interim results, Commercial Union hardened 2 to 144p. Sun Alliance put on 3 to 363p, but "Royals" (interim due August 19) gave up 2 to 260p. In Lloyds Brokers, Hogg Robinson declined 7 to 116p.



Breweries moved narrowly after a quiet trade. Allied picked up a penny to 56p, but Arthur Guinness shed that amount to 103p, for a two-day decline of 7. Elsewhere, George Sandeman, at 40p, gave up the previous day's *gain of 5* and Matthew Clark cheapened 3 to 33p. H. P. Bulmer, however, hardened 2 to 62p.

Stoneware were an isolated firm feature in Buildings' rising 10 to 190p on speculative buying in a thin market. Elsewhere, a dull trend was apparent with Richard Costain 7 lower at 160p and George Wimpey and Marchwiel both 4 easier at 90p and 70p respectively. In a nominal market, J. W. Henderson closed at 115p, down 10.

Lack of support brought about a fresh reaction of 2 to 241p in ICI, while Albright and Wilson cheapened 3 to 55p. Elsewhere in Chemicals, Catalin held at 36p despite the higher half-year earnings.

Stores steadier

Store leaders made a steadier showing after Thursday's reaction and finished a shade firmer for choice. Gussies "A" closed 2 up at 147p, and Marks and Spencer a penny better at 90p, after 88p, but British Home Stores, 276p, eased 3 for a two-day loss of 8. Secondary issues ended a little softer in places. Ladies Pride, however, managed to improve 1 more to 83p, still on the half-year profits expansion, while Steinberg, 14p, recouped a penny after recent easiness on the profits setback. Vantona picked up 1 to 43½p awaiting further developments on the Spirella bid situation.

An uneventful day in leading Electricals left prices only minimally changed apart from Reyrolle Parsons, 3 cheaper at 36p. GEC closed a penny off at 111p, after 109p, while EMI, helped by Press comment, managed to finish the turn harder at 161p, after 162p. Thorn Electrical "A" closed 2 better at 130p, after 144p. Against an easier trend in second line issues, *Pye Holdings put on 1 to* 47p: the interim results are due August 20. Decca "A," 162p, and Unitech, *86p, declined 4 apiece*, while Dale Electric shed 3 to 93p and Cray Electronics 2 to 11p.

Engineerings hardly justified a mention, changes being small and in both directions. Further *consideration of the record profits* and proposed scrip issue caused Wagon Indsutrial to harden 1 to 94p and, after Thursday's fall on the first-half setback, Ratcliffs (Great Bridge) rallied 2 to 26p. Swan Hunter turned suddenly dull in Shipbuildings, losing 5 to a "low" for the year of 50p.

Foods were indecisive. FMC lost another 3 to 57p on increasing doubts of a fresh NUF bid, but renewed demand carried Fitch Lovell up 2 more to 50p. Bejam picked up 3 to 75p, but B. Matthews *were that much easier* at 23p. J. Bibby featured late on the first-half setback and fell to *53½p before closing a net 2½* cheaper at 55½p. Hotels moved marginally either way, Trust Houses Forte closing 1 off at 88p, again reflecting the interim loss, and Grand Metropolitan 1 better at 56p.

Robt. Stigwood fall

After Thursday's setback, miscellaneous Industrial leaders moved narrowly in quiet trading. Beecham, down 11 the previous day on a large selling order, closed just a penny cheaper at 258p, after 256p. Elsewhere, Robert Stigwood featured by falling sharply to 25p before ending a net 11 down at 30p on the company's rejection of the bid approach from Warner Communications in preference to an alternative business arrangement with Polygram Group. Press comment on the half-year results left Hoover "A" 6 down at 228p, while the sharply lower half-time dividend and profits brought Thomas Witter down 3 to a low for the year of 17p. RTD Group declined 5 to 32p and Downs Surgical 4 to 31p. On the other hand, Silkolene Lubricants picked up 3 to 67p, while Boosey and Hawkes added 4 at 88p. Hong *Kong issues suffered a reaction,* with Hutchison, 26p, losing the previous day's gain of 3 on fresh *consideration of the Hongkong* and Shanghai Banking share subscription offer.

Belated response to Press comment lifted Clayton Dewandre 5 to 53p, while the new nil-paid improved 2 to 11p premium. Lucas Industries attracted buyers and rose 5 to 103p.

Newspapers were a shade easier where changed and John Waddington "B" were a dull feature in Paper/Printings at 76p, down 4. *The gloomy interim figures* and accompanying statement took Olives Paper Mill down 2½ to 24½p.

There was again a reasonable amount of business in the Property leaders; after going moderately easier initially, prices picked up in the late afternoon to close little changed on balance. MEPC ended unaltered at 75p, after 73p, and Town and City Properties a fraction better at 16½p after 13½p while Land Securities finished just 1p easier at 135p, after 133p.

Secondary issues lacked interest and closed with minor losses. Beaumont Properties dipped 4 to 36p and Property and Reversionary "A" 3 to 135p, while McInerney Properties, 20p, and Peachey, 22p, ended about 2 easier. Maybrook Properties, however, picked up 3 to 33p, while Trafalgar House, after following Thursday's fall of 7 with a further reaction to 71p, rallied to end 3 up on the day at 76p.

The closing of fairly large bear positions rather than the continuing effects of the second-quarter figures was held responsible for a fresh upturn in Shell, which touched 304p before ending a net 7 higher at 302p. British Petroleum, up 8 at 483p, improved on the back of Shell, for little attention was paid to either the Norwegian Government approval of the proposed sale of BP's assets there or Sohio's plans to offer a specific number of shares to the public. New-time demand helped Ultramar rise 8 to 180p, but end-Account selling brought Berry Wiggins down 4 to 67p. In the overseas section, Sunningdale improved 15 to 440p and International Oil 3 to 43p; the latter's price in Friday's issue was incorrect.

Overseas Traders put up a rather mixed performance. South African Distilleries and Wines gained 10 at 370p and Wm. Jacks picked up 1 to 6½p. but Harrisons and Crosfield lost 13 to 337p, Paterson Zochonis 10 to 320p, and Booker McConnell 5 to 129p.

Shippings were notable for a fresh speculative flurry in Furness Withy, which rallied from an *initial soft level of 222p to close* 3 harder on the day at 29p. Elsewhere, the interim dividend omission depressed John I. Jacobs, which were sold down to a 1975 low of 12p, before closing 2½ easier on balance at 13p.

Trusts and Financials were narrowly mixed. Nippon Fund Sterling shed 15 to 125p and losses of 4 were seen in Embankment, *51p*, and Jardine Securities, 101p. Lampa Securities gave up a penny to 46p in response to the loss.

Courtaulds managed to *improve* a penny to 110 "after-hours" in generally dull Textiles. Nova (Jersey) Knit *held at 10p despite* the dividend omission and trading loss.

A dull market *of late on fears* of stronger Government action to minimise the risks to health from cigarette smoking, Bats *rallied* 2 to 270p on bear covering. Imps ended unaltered at 61½p, but Sobranie cheapened 1 to 14p on the results.

Rubbers traded lower with Guthrie a fresh 3 cheaper at 140p. Teas also closed easier for choice.

Platinums rise

Platinum shares ended a good week *with fresh gains which lifted* the Rustenburg issues to highs for the year. A steady demand from both *London* and *the Cape* found the market none too well supplied with stock and rises of 12 were seen in Unions and Waterval at the common price of 212p while Potgietersrust gained 8 to 248p.

Some of the enthusiasm spilled over to "Johnnies," ½ up at £25¼, and Union Corporation, 10 higher at 520p, while Anglo-Vaal, which has claimed a new and more efficient platinum refining process this week, rose £1 to £16. In Diamonds, money-switching operations were held responsible for a jump of 9 to 315p in De Beers.

Shares of the gold producers continued to mark time, but prices were maintained by the firmer investment dollar premium in the face of an easier bullion price. The latter lost $1.32½ to $164.05 per ounce, making a loss of $2.70 on the week. The Gold Mines index was 2.9 up at 360.4, but only 1.4 up on the week.

Reflecting the fresh advance in the copper price, which has risen £26.25 to £603.5 per tonne this week, Charter put on 6 to 174p. Messina climbed 15 to 345p and Botswana RST recovered 3 to 67p after the setback which followed the latter's depressing half-year report this week.

Bougainvile eased 3 to 87p on the sharp fall in half-year profits and the halved interim in a generally easier Australian group. Pancontinental, which touched a high of 570p this week, fell 15 to 545p on profit-taking while the speculative Ocean Resources lost 3 to 21p. Elsewhere Sabina reacted 4 to 78p. Tins eased.

FINANCIAL TIMES STOCK INDICES

—	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 1	A year ago
Government Secs	59.73	59.53	60.27	60.47	60.70	60.44	56.83
Fixed Interest	59.87	59.92	60.37	60.29	60.38	60.38	56.14
Industrial Ordinary	278.8	277.7	287.2	289.6	282.1	282.8	237.5
Gold Mines	360.4	357.5	358.1	363.5	357.8	359.0	367.2
Ord. Div. Yld. %	7.56	7.39	7.17	7.11	7.27	7.25	8.43
Earnings Yld. % (full) (a)	21.25	21.33	20.68	20.51	20.98	20.91	22.64
P/E Ratio (net) (a) (b)	6.71	6.69	6.90	6.95	6.80	6.82	6.17
Dealings marked	4,539	4,099	3,887	3,559	3,480	3,626	6,284
Equity turnover £m	—	45.83	37.88	40.13	25.47	34.87	27.29
Equity bargains total	—	10,143	9,740	9,093	8,037	8,932	8,368

10 a.m. 277.5. 11 a.m. 278.1. Noon 277.8. 1 p.m. 277.6. 2 p.m. 277.7. 3 p.m. 277.7.
Latest index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=6.67.
Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (30/3)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.31 (21/3)	50.63 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	365.3 (6/6)	146.8 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/6)	280.8 (20/1)	442.3 (22/6/75)	43.5 (28/10/71)

S.E. ACTIVITY

—	Aug. 8	Aug. 7
Daily—		
Gilt-Edged	124.9	117.8
Industrials	157.0	139.4
Speculative	50.9	35.9
Totals	103.3	93.3
5-day Av'r'ge		
Gilt-Edged	123.4	120.9
Industrials	129.4	131.0
Speculative	38.2	35.4
Totals	89.1	84.4

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri. Aug. 8 Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (nil) (Corp. Tax 52%)	Thurs. August 7 Index No.	Wed. August 6 Index No.	Tues. August 5 Index No.	Monday August 4 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (179)	101.78	−1.0	22.69	7.93	6.55	6.54	102.81	105.01	104.54	103.17	84.17	131.26	51.75	208.37	15.70
2 Building Materials (30)	88.12	−0.6	19.83	8.95	7.30	7.50	88.66	89.22	88.25	88.05	84.68	117.40	45.11	235.94	44.27
3 Contracting, Construction (23)	172.67	−2.4	20.91	5.34	7.20	7.20	177.17	180.76	180.39	179.91	133.19	251.61	74.74	389.55	71.48
4 Electricals (17)	191.50	−1.8	21.56	6.06	6.88	6.87	194.75	202.86	201.86	194.25	154.57	234.64	98.49	550.04	84.71
5 Engineering (Heavy) (13)	119.67	−1.2	28.39	9.06	5.37	5.37	121.34	123.35	123.04	123.42	96.36	159.79	64.59	202.67	64.39
6 Engineering (General) (64)	89.38	−0.4	24.38	9.19	6.06	6.06	89.76	91.60	91.36	90.42	70.04	117.40	45.45	168.59	45.43
7 Machine and Other Tools (9)	37.27	−0.9	20.92	11.06	6.72	6.72	37.60	38.15	38.01	38.05	30.10	48.98	20.11	136.70	19.96
8 Miscellaneous (23)	92.74	−0.1	26.20	8.35	5.70	5.70	92.86	93.54	93.19	94.06	76.74	121.76	49.65	177.41	49.65
9 CONSUMER GOODS (DURABLE) (57)	78.76	−0.1	24.94	7.82	5.86	5.85	78.80	80.54	80.55	79.55	70.05	93.18	38.39	227.78	38.39
10 Electronics, Radio TV etc. (15)	91.61	+0.1	21.51	5.80	6.87	6.86	91.51	93.68	93.72	92.15	80.31	106.34	44.28	257.41	42.85
11 Household Goods (15)	121.41	−1.7	34.74	8.48	4.22	4.22	123.46	123.42	125.98	123.65	112.13	146.90	64.53	265.22	63.92
12 Motors and Distributors (27)	41.79	−0.6	26.05	11.16	5.52	5.49	41.57	42.86	42.52	41.95	37.47	50.91	19.91	170.59	19.91
13 CONSUMER GOODS (NON-DURABLE) (168)	113.72	−0.8	17.68	7.42	8.15	8.12	114.63	117.65	117.34	116.74	91.93	148.46	61.98	226.08	61.41
14 Breweries (16)	125.76	−1.5	15.83	6.08	9.56	9.56	127.75	130.92	130.82	128.82	104.38	163.83	75.56	281.87	69.47
15 Wines and Spirits (7)	128.20	−0.2	15.18	7.91	9.94	9.94	128.40	131.54	132.09	131.00	118.59	177.94	80.42	257.40	78.86
16 Entertainment, Catering (16)	129.24	−1.0	17.16	6.61	8.69	8.69	130.52	134.07	134.21	131.85	92.60	156.44	55.28	329.99	54.85
17 Food Manufacturing (22)	123.19	−0.8	16.66	6.46	8.25	8.21	124.27	126.01	124.89	125.20	95.45	156.57	62.03	211.65	59.77
18 Food Retailing (16)	113.19	−1.3	15.95	5.70	10.46	10.46	114.75	117.00	116.02	115.46	81.25	149.17	57.15	235.08	54.25
19 Newspapers, Publishing (15)	114.50	−0.6	16.31	6.48	8.31	8.31	115.38	117.14	115.92	114.99	110.55	152.14	55.08	250.39	56.08
20 Packaging and Paper (13)	76.83	−1.4	28.74	9.57	5.10	5.11	77.95	78.57	78.13	78.44	69.41	107.12	43.46	185.69	43.46
21 Stores (31)	96.65	−0.6	14.90	6.75	10.20	10.20	97.38	100.86	101.21	99.01	76.60	132.94	52.65	204.59	52.65
22 Textiles (23)	117.50	−0.4	29.72	9.12	4.06	3.97	118.00	120.86	119.66	117.61	108.59	145.07	62.91	253.73	62.66
23 Tobacco (3)	168.57	−0.4	19.76	7.99	7.69	7.69	169.52	174.34	174.49	170.41	130.71	199.16	109.92	339.16	94.34
24 Toys and Games (6)	40.62	−1.5	32.21	8.91	4.26	4.26	41.14	41.14	41.56	41.72	35.75	44.08	20.92	135.72	20.92
OTHER GROUPS (92)															
25 Chemicals (24)	151.65	−0.7	22.95	6.04	6.24	6.24	152.72	156.39	155.61	154.56	115.54	189.17	73.14	201.92	71.20
26 Office Equipment (10)	68.47	−1.8	20.41	7.61	6.79	6.79	69.73	71.60	69.78	71.14	65.60	104.78	46.34	346.06	45.34
27 Shipping (12)	315.20	−1.9	27.26	7.62	4.73	4.58	321.17	323.88	324.76	322.33	262.04	401.84	194.38	517.00	90.80
28 Miscellaneous (46)	116.16	−0.7	23.26	8.60	6.29	6.28	117.00	119.92	119.54	118.42	102.41	153.58	60.39	258.85	60.39
29 INDUSTRIAL GROUP (496)	112.07	−0.8	20.62	7.45	7.02	7.00	113.00	115.68	115.30	114.00	92.81	145.43	59.19	230.17	59.01
30 OILS (4)	269.87	−2.0	27.27	5.62	3.95	3.87	264.64	261.16	258.77	256.08	174.87	286.47	105.83	431.64	87.23
31 500 SHARE INDEX	125.06	−0.4	21.73	7.14	6.21	6.08	125.56	127.77	127.25	125.81	99.81	156.14	63.49	227.95	63.49
32 FINANCIAL GROUP (100)	111.75	−0.3	—	6.40	—	—	112.08	113.67	112.79	111.10	92.82	148.45	56.30	241.41	55.88
33 Banks (6)	126.73	+0.2	24.42	6.27	6.16	6.16	126.49	130.01	126.71	125.53	112.91	177.11	62.56	268.33	62.44
34 Discount Houses (9)	156.06	−0.7	—	8.69	—	—	156.99	157.43	158.09	159.38	111.06	169.87	84.15	295.15	81.40
35 Hire Purchase (5)	86.52	−1.4	28.25	10.62	4.84	4.17	86.51	88.50	88.50	88.12	102.98	134.89	42.61	435.72	38.83
36 Insurance (Life) (9)	95.93	−0.5	—	7.12	—	—	96.39	98.14	96.57	95.23	72.86	127.97	44.88	194.46	44.88
37 Insurance (Composite) (7)	95.11	−0.1	—	6.94	—	—	94.97	95.90	95.36	93.39	65.69	125.90	44.47	155.76	43.96
38 Insurance (Brokers) (8)	179.16	−1.5	11.36	4.76	13.09	13.09	181.82	182.91	181.75	180.38	122.60	211.50	68.96	262.57	65.86
39 Merchant Banks (19)	75.94	−0.8	—	7.22	—	—	76.24	76.11	75.55	75.40	76.74	94.97	31.21	278.57	31.21
40 Property (32)	136.96	−1.8	3.37	4.37	27.38	26.31	139.47	140.96	138.74	138.38	132.39	241.22	86.19	357.40	56.01
41 Miscellaneous (5)	59.06	−0.5	19.16	11.25	7.69	7.81	59.23	60.77	61.27	62.97	59.12	75.78	34.78	303.15	33.29
42 Investment Trusts (50)	139.57	−0.9	3.55	5.04	28.15	28.13	140.77	142.45	141.76	142.89	115.32	178.53	73.43	245.79	71.63
43 ALL-SHARE INDEX (650)	122.26	−0.4	—	6.67	—	—	122.73	124.82	124.16	122.82	98.43	154.09	62.16	228.18	61.92
COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44 Rubbers (10)	390.38	−0.8	14.53	8.44	10.00	9.93	393.75	388.66	398.70	400.96	323.68	525.43	381.68	555.77	84.68
45 Teas (10)	101.76	−0.3	35.64	10.26	3.91	3.74	102.10	101.46	101.29	100.94	79.62	104.15	76.76	121.47	59.72
46 Coppers (3)	374.94	−2.9	52.38	20.14	1.91	1.91	364.41	378.85	353.00	359.84	384.40	467.74	349.52	567.78	94.08
47 Mining Finance (11)	123.55	+1.2	9.92	4.38	11.07	11.07	122.14	122.99	122.24	122.03	91.04	141.34	80.56	175.90	66.51
48 Tins (8)	86.09	−1.5	11.84	9.65	10.87	9.39	87.38	87.99	87.99	88.61	69.79	114.49	38.91	125.43	54.83
49 Overseas Traders (13)	198.63	−0.3	17.48	4.98	7.32	7.32	199.21	203.42	200.62	200.71	—	252.25	97.37	252.25	97.37

FIXED INTEREST	Friday, August 8 Index No.	Yield %	Thurs. August 7	Wed. August 6	Tues. August 5	Monday August 4	Friday August 1	Thurs. July 31	Wed. July 30	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1 Consols 2½% yield	—	14.17	14.26	13.96	13.96	13.85	13.93	14.02	13.92	15.25	—	—	—	—
2 20-yr. Govt. Stocks (6)	49.63	‡13.11	49.43	50.29	50.60	50.89	50.51	50.08	50.39	47.42	53.09	38.27	115.42	38.27
3 20-yr. Red. Deb. & Loans (15)	47.89	‡15.40	47.89	48.02	47.98	47.98	47.64	47.64	47.83	44.17	50.68	37.01	113.43	37.01
4 Investment Trusts Prefs. (15)	46.70	14.81	46.70	46.67	46.53	46.53	46.85	46.99	47.13	41.30	47.30	35.35	114.41	34.45
5 Coml. and Indl. Prefs. (20)	67.31	13.96	67.47	68.02	67.58	67.70	67.71	66.02	67.79	56.62	68.02	48.35	114.95	47.67

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Food Retailing	29/12/67	114.13
Engineering (Heavy)	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Engineering (General)	31/12/71	153.84	Mining Finance	29/12/67	100.00
Wines and Spirits	16/1/70	144.76	All Other	10/4/62	100.00
Toys and Games	16/1/70	135.72			
Office Equipment	16/1/70	162.74			
Industrial Group	31/12/70	128.20			
Miscellaneous Financial	31/12/70	128.06			
Food Manufacturing	29/12/67	114.13			

‡ Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 16p. Commonwealth 18p. Foreign 22p.

CONSTITUENT CHANGE: Doncaster (D.) (Engineering (General)) has been replaced by Allied Retailers (Stores).

NAME CHANGE: London and Northern Securities has changed its name to London and Northern Group.

MONEY + EXCHANGES

Rise in bill rate

Bank of England Minimum Lending Rate 11 per cent. (since July 25, 1975)

The Treasury bill rate rose slightly at yesterday's tender by 0.0479 per cent. to 10.4751 per cent., *which left the Bank of* England Minimum Lending Rate unchanged at 11 per cent. The minimum accepted bid was £97.38½, compared with the previous £97.40, and bids at this level were met as to 56 per cent. The £400m. bills tendered and allotted attracted bids of £688.16m. All bills offered were allotted, while next week £350m. will replace £400m.

Day-to-day credit was easier in the London money market yesterday and with a small to moderate *surplus the houses balanced their* books without official intervention. In the market's favour were bank *balances carried over from* yesterday and an excess of Government disbursements over revenue transfers to the Exchequer. Against this the market was faced with a net take-up of Treasury bills and an increase in the note circulation.

Discount houses paid around 9⅞-10 per cent. for secured call loans in the early part but as funds became available rates eased to close around 7-9 per cent. In the inter-bank market overnight loans opened around 10-10¼ *per cent. and eased during the day* to 7-7½ per cent. At the close however rates firmed to close in *the region of 8½-9 per cent.*

Short-term interest rates recorded mixed changes with the one-month Sterling certificate yield easing to 10¼-10⅛ per cent. from 10⅜-10⅛ per cent., the two-month 10⅜-10⅛ per cent. from 10⅞-10⅝ per cent., and the one-year rising to 11⅜-11⅛ per cent. against 11¼-11⅛ per cent.

Rates in the table below are nominal in some cases.

Aug. 8 1975	Sterling Certificates of deposits	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance house deposits	Company deposits	Discount market deposits	Treasury bills ф	Bank bills ф	Fine trade bills ф
Overnight	—	7-10¼	—	—	—	10-10⅛	7-10	—	—	—
2 days notice	—	—	10-10⅛	—	—	—	—	—	—	—
7 days or 7 days notice	—	9⅞-10¼	10-10⅛	—	—	—	10-10⅛	—	—	—
One month	10⅛-10¼	10¼-10⅛	10⅜-10⅛	11-10⅛	10¾-11¼	—	10-10⅛	10⅛-10	10⅜-10⅛	11¼-11
Two months	10¾-10⅛	10⅝-10¾	—	11-10⅛	10¾-11⅛	—	10-10⅛	10⅛-10⅜	10½	11¼-11
Three months	10⅞-10⅝	10¾-10⅞	10⅝	11-10⅞	11-11⅛	—	10-10⅛	10⅝-10¼	10¾-10⅝	11⅛-11⅛
Six months	11¼-11	11-11⅛	10⅞	11¼-10⅞	11⅛-11¼	—	—	—	11¼-11⅛	11⅛
Nine months	11⅜-11⅛	11⅜-11¼	—	11⅜-11¼	—	—	—	—	—	—
One year	11⅝-11⅛	11⅛-11¼	11¾	12⅛-11⅛	—	—	—	—	—	—
Two years	—	11⅞-12⅛	12⅛	—	—	—	—	—	—	—

* Local authority and finance houses seven days' notice; others seven days' fixed. * Long-term local authority mortgage rate nominally three years 12½ per cent.; four years 13½ per cent.; five years 14 per cent. ф Bank bill rates in table are buying rate for prime paper; buying rates four-month bank bills 11-10⅞ per cent.; and four-month trade bills 11⅞-11 per cent. *Approximate selling rates for one-month Treasury bills 10 per cent.; two-month 10⅛ per cent.; three-month 10⅛ per cent.;* Approximate selling rates for one-month bank bills 10 7/16-10½ per cent.; two-month 10 9/16-10½ per cent.; and three-month 10 9/16 per cent.; for one-month trade bills 10 5/16 per cent.; two-month 10½ per cent.; and three-month 10 9/16 per cent.

Finance House Base Rate (published by the Finance Houses Association): 10 per cent. from August 1. Clearing Bank Deposit Rates for small sums at seven days' notice 6½ per cent. Clearing Banks Base Rates for lending 9½ per cent. Treasury Bills: Average tender rates of discount 10.4372 per cent.

EXCHANGES AND BULLION

The U.S. dollar continued to be firm against major currencies in the foreign exchange market yesterday in thin trading.

The dollar's trade-weighted *average depreciation against 14* units since the Washington Agreement, as calculated by Morgan Guaranty of New York on noon rates eased to 2.49 per cent. compared with the previous close of 2.44 per cent. Sterling's depreciation on a similar basis widened to 33.74 per cent. against 33.71 per cent. Sterling lost ground to the dollar opening at $2.1005-$2.1015 and easing to $2.0990-$2.1000 *before recovering at the* close to $2.1040-$2.1050 compared *with the previous $2.1050-$2.1060.* Against other major currencies sterling eased slightly.

The pound's trade-weighted average depreciation against ten major currencies since the Wash*ington Currency Agreement (as* calculated by the Bank of England), widened to 27.9 per cent. *against the previous 27.8 per cent.* The depreciation at noon and in the morning also stood at 27.9 per cent.

Gold closed $1.32½ easier in a quiet market at $163.7-$164.4 having opened at $165-$165¾. The krugerrand for domestic delivery closed at $173-$174¼ (£82-£83) down from the previous $172½-$173¾ (£81½-£82½).

EXCHANGE CROSS-RATES

Aug. 8	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankfurt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
N. York	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Paris	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Brussels	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
London	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Am'dam	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Zurich	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U.S. $ in Montreal U.S.$=103.66-60 Canadian cents.
Canadian $ in New York $C1=96.64 U.S. cents. U.S. $ in Milan [illegible]
Sterling in Milan 1405.80.

EURO-CURRENCY INTEREST RATES*

Aug. 8 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W.German mark	Swiss franc
Short term	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Euro-French deposit rate short-term [illegible] per cent.; seven days' notice [illegible] per cent.; one-month [illegible] per cent.; three months [illegible] per cent.; six months [illegible] per cent.; one year [illegible] per cent.

Long-term Eurodollar deposits: two years [illegible] per cent.; three years [illegible] per cent.; four years [illegible] per cent.; five years [illegible] per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month [illegible] per cent.; three months [illegible] per cent.; six months [illegible] per cent.; one year [illegible] per cent.

* Rates are nominal closing rates.
† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two days' notice for guilders and Swiss francs.

FORWARD RATES

—	One month	Three months
New York	0.80-0.70 c.pm	2.30-2.20 c.pm
Montreal	0.70-0.60 c.pm	2.00-1.90 c.pm
Ams'dam	4¼-3¼ c.pm	11½-10½ c.pm
Brussels	35-15 c.pm	85-65 c.pm
Cop'n'hg'n	8-5 ore pm	16-13 ore pm
Frankfurt	4¼-3¼ pf. pm	11½-10½ pf pm
Lisbon	4 c.pm-30 c. dis	90c.pm-80c.dis
Milan	1-4 lire dis	9½-8½ lire dis
Oslo	5-2 ore pm	15-10 ore pm
Paris	4-2 c.pm	7-5 c.pm
Stockh'lm	[illegible]	[illegible]
Vienna	[illegible]	[illegible]
Zurich	[illegible]	[illegible]

Six-month forward U.S. dollar [illegible] c.pm.

OTHER MARKETS

[illegible]

FOREIGN EXCHANGES

[illegible]

BASE LENDING RATES

AFI International ...... 10 %
Allied Irish Banks Ltd. 10 %
Anglo-Portuguese Bank 10½%
Henry Ansbacher 10½%
Banco de Bilbao .... 10 %
Banco de Jerez 10½%
Bank of Cyprus ....‡10 %
Banque du Rhone S.A. 10½%
Barclays Bank .... 10 %
Barnett, Christie Ltd.... 11 %
Bremar Holdings Ltd. 11 %
Brit. Bank of Mid. East 10 %
■ Brown Shipley 10½%
Cayzer, Bowater Co. Ltd. 10½%
Cedar Holdings .... 10 %
■ Charterhouse Japhet ... 10 %
C. E. Coates 10½%
Consolidated Credits ... 12 %
Continental Trade Bk. 10 %
Co-operative Bank ......*10 %
Copleys Bank 11½%
Corinthian Securities... 10 %
Credit Lyonnais .... 10 %
G. R. Dawes 10½%
Duboff Brothers 11½%
Duncan Lawrie 10½%
English Transcont. ... 11½%
First London Secs. ...... 10 %
■ Antony Gibbs 10½%
Goode Durrant Trust ... 10 %
Greyhound Guaranty ... 10 %
Grindlays Bank 10½%
■ Guinness Mahon .... 10 %
■ Hambros Bank .... 10 %
Hawtin & Partners ... 13 %
■ Hill Samuel ....§10 %
C. Hoare & Co. ....†10 %
Julian S. Hodge .... 11 %
Industrial Bank of Scot. 10 %
Jacobs, Kroll 11½%
Keyser Ullmann 10½%
Knowsley & Co. Ltd.... 11½%
Lloyds Bank .... 10 %
London & European ... 11½%
London Mercantile ... 11½%
Midland Bank .... 10 %
■ Samuel Montagu .... 10 %
■ Morgan Grenfell .... 10 %
National Westminster 10 %
Northern Comm. Trust 10½%
Norwich General Trust 10½%
Portman Guaranty ...... 11 %
P. S. Refson & Co. 9½%
Rossminster Accept'cs 10 %
Royal Trust of Canada 10½%
Schlesinger Limited ... 10½%
E. S. Schwab 11½%
Security Trust Co. Ltd. 11½%
Shenley Trust 11½%
Standard & Chartered 10 %
Sterling Credit .... 12 %
Thames Guaranty ...... 11 %
Trade Development Bk. 10 %
Twentieth Century Bk. 11½%
United Bank of Kuwait 10 %
Wallace Brothers Bank 10½%
Whiteaway Laidlaw ... 10½%
Williams and Glyn's ... 10 %
Yorkshire Bank .... 10 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposit 6¾%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 7% and over £25,000 7¼%.
‡ Deposit Base Rate 9½%.
§ Demand deposit 7¾%.

I.G. INDEX
GOLD 163½-166½

CORAL INDEX
Close 275-280

INSURANCE BASE RATES

† Atlantic Assurance 11¾%
Cannon Assurance 11¾%
† Address shown under Insurance and Property Bond table.

GOLD MARKET

	Aug. 8	Aug. 7
Gold Bullion (a fine ounce)		
Close	[illegible]	[illegible]
Opening	[illegible]	[illegible]
Morning fixing	[illegible]	[illegible]
Afternoon fixing	[illegible]	[illegible]
Gold Coins, domestically		
Krugerrand	[illegible]	[illegible]
New Sovereigns	[illegible]	[illegible]
Old Sovereigns	[illegible]	[illegible]
Gold Coins, internationally		
Krugerrand	$168½-170½	$170-172
New Sovereigns	[illegible]	[illegible]
Old Sovereigns	[illegible]	[illegible]
$20 Eagles	[illegible]	[illegible]
$10 Eagles	[illegible]	[illegible]
$5 Eagles	[illegible]	[illegible]

AUTHORISED UNIT TRUSTS

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Albany Inv. 20p	14	......	Craig Ship. £1	400	......	Shiloh Spinn.	25	......
Ash Spinning	36	......	Hallam Sleigh 10p	$6\frac{1}{2}$	......	Sindall (Wm.)	40	......
Bertam	19	+1	Higsons Brew.	83	......			
Brady (G.) 'A'	44	......	I.O.M. Stm. £1	120	......	IRISH		
Bdg'wtr. Est. 50p	105	......	Holt (Jos.) 25p	185	......			
Clover Croft	35	......	Kleen-e-Ze	22	−1	Alliance Gas (£1)	40	−5
Craig & Rose £1	310	......	Lovell's Ship £1	120	......	Carroll (P. J.)	105	......
Dewson (R. A.)	30	......	N'thn. Goldsmith	38	......	Clondalkin	52	......
Ellis & McHdy.	58	......	P.M.A.	33	......	Concrete Prods.	68	......
Evans Fr'k 10p.	36	......	Pearce (C. H.)	60	......	Goodbody (£1)	38	......
Evered	10	......	Peel Mills	16	......	Helton (Hldgs.)	39	......
Fife Forge	47	......	Richards 10p	8	......	Irish Distillers	60	......
Finlay Pkg. 5p	16	......	Robb Caledon 5p	26	......	Irish Wire	40	......
Frost & Reed 50p	85	......	Sayers 12½p	6	......	Jacob	45	......
Gardiner & Sons	11	......	Sheffield Brick	57	......	Sunbeam	8	......
Gardner (L.)	62	......	Sheff. Refrshmt.	141	......	Unidare	65	......

CLASSIFIED ADVERTISING RATES

	Per single column centimetre		Per single column centimetre
Appointments	£9.00	Business Opportunities	£11.00
Industrial and Business Property	£9.00	Educational	£9.00
		Motors	£9.00
Residential Property ...	£9.00	Hotels and Travel	£9.00

The minimum depth of display advertisements and of boxed classified advertisements is: Three single column centimetres. Larger advertisements are only accepted in multiples of whole centimetres.

Premium positions available — rates on request. Write to Classified Advertisement Department, Financial Times, 10, Cannon Street, EC4P 4BY.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	Low	Stock	£	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99⅝	94¾	Exch 6½pc 1976‡‡	98¾xd	......	6.62	9.93
97¾	92¾	Treasury 6½pc 1976‡‡	96⅝xd	+⅛	6.73	10.07
99	97	Victory 4pc 1976‡‡	99xd	......	4.08	—
102	96⅞	Treasury 10½pc 1976‡‡	99⅛	+⅛	10.57	10.95
95	88⅞	Treasury 6¼pc 1977‡‡	94¾xd	+⅛	6.60	10.00
94⅛	86¼	Electric 3pc 74-77	92⅛	+⅛	3.26	8.36
103¾	96⅞	Treasury 11½pc '77‡‡	99¾	+⅛	11.51	11.48
88⅛	84	Treasury 3pc '77‡‡	87⅞	+⅛	3.41	9.02
90⅝	84⅝	Transport 4pc 72-77	88½	......	4.52	9.55
96¾	90½	Treasury 9pc 1978‡‡	93⅞	+⅛	9.61	12.08
100¾	96¾	Treasury 10½pc '78‡‡	96¾	+⅛	10.89	11.95
87⅜	79	Exchequer 5pc '76-78‡‡	85⅛	......	5.85	10.59
103	94⅞	Treasury 11½pc '79‡‡	98⅛xd	+⅛	11.69	12.02
79⅝	71⅛	Treasury 3pc '79‡‡	78	......	3.85	9.61
81	73⅞	Electric 4¼pc '74-79	79⅝	–⅛	5.35	10.52
100¼	95¼	Treasury 10½pc '79‡‡	95¾	+⅛	10.92	11.94
79⅝	71	Electric 3½pc '76-79	78⅛	–⅛	4.46	9.81
95	84	Treasury 9pc 1980‡‡	90¼xd	......	9.98	11.88
95¾	91	Treasury 9½pc '80‡‡	91	......	10.44	12.03
79	68¼	Treasury 3½pc '77-80	75⅝	+⅛	4.63	9.95
84½	71	Funding 5¼pc '78-80‡‡	80⅝	+⅛	6.51	10.42
		Five to Fifteen Years				
75½	66⅜	Treasury 3½pc '79-81	73½	+⅛	4.76	9.83
91⅛	72⅝	Do 8½pc '80-82‡‡	84⅞	+⅛	10.09	12.08
104⅛	86⅛	Treasury 12pc 1983‡‡	101⅞	+⅛	12.37	12.59
78	58	Funding 5½pc '82-84‡‡	73¼	+⅛	7.55	10.41
85⅛	61⅞	Treasury 8½pc '84-86‡‡	80⅝	+⅛	10.64	11.81
73⅛	51⅞	Funding 6½pc '85-87‡‡	69⅞	+⅛	9.55	11.52
76⅛	53	Treasury 7¾pc '85-88‡‡	71½	+⅛	10.89	12.33
47¼	32⅞	Transport 3pc '78-88	45¼	+⅛	6.68	11.15

Over Fifteen Years

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude Inv. $ premium

AMERICANS

S.E. List Premium (based on $2.1000 per £)

CANADIANS

S.E. List Premium (based on $2.1741 per £)

Conversion factor 0.6428 (0.6419)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا من الأصل

INDUSTRIALS—Continued

INDUSTRIALS—Continued

††INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Finance, Land, Etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

1975 High	1975 Low	Stock	Price	+ or –	Div Net	Cvr	Yld Gr's
£14¾	780	Durban Deep R1	£10½	......	‡Q110c	ϕ	‡
£14	860	E. Rand Prp. R1	£10⅛	+⅛	‡Q115c	ϕ	‡
105	55	Rand Leases 5c	60	......	—	—	—
£34½	£22	Rand'n Est. R1	£27½	+½	—	—	—
500	260	West Rand R1	310	+5	‡Q40c	1.3	‡

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

1975 High	1975 Low	Stock	Price	+ or –	Div Net	Cvr	Yld Gr's
8½	3	Burma Mine 17½p	8	......	m0.5	—	1.7
65	17	Charterhall 5p	53½	......	—	—	—
115	75	Colby Mines $1	75#	......	—	—	—
760	360	Cons. Murch. 10c	665	+5	‡Q130c	2.2	‡
53½	29½	Lauraso	41	......	—	—	—
19	11	NTD $1	12	......	—	—	—
375	200	Northgate C$1	270	+2	Q65c	1.0	10.4
211	80	R.T.Z.	172	+2	4.97	3.4	4.5
135	47½	Sabina Inds C$1	75	−4	—	—	—
81	51	Stanford Mines (1)	65	−3	—	—	—
£12½	875	Tara Explo. $1	£10¼	......	—	—	—
78	38	Yukon Cons. C$1	67	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. They are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated
- § Based on 1973 profits.
- ! Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✦ Regional price.
- ‖ No par value

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 15

FINANCIAL TIMES

Saturday August 9 1975

MAN OF THE WEEK

A doctor for the 1980s?

BY DAVID WATT

AS EVIDENCE has accumulated during the past twenty years of the connection between cigarette-smoking and pulmonary and heart diseases of all kinds, so has the enthusiasm of the medical profession and the Civil Service for the imposition of Government curbs on the tobacco industry.

Politicians, however, are in a different position than doctors and bureaucrats. It is their business to mediate between the public interest on the one hand and the interests of powerful pressure groups and wayward individuals on the other; and the smoking issue has only shown how difficult this task is.

Haggling

As a result of many years of haggling, cigarette-advertising is banned on British television and a veiled health warning appears on cigarette packets, but on the whole the tobacco industry has been able to fight a very successful rear-guard action.

If this situation is now coming to an end the change will largely be due to the present Minister of Health, Dr. David Owen, whose announcement on Wednesday that tobacco is to be brought under regulatory machinery like that provided in the Medicines Act presages a more serious threat to the unfettered freedom of the cigarette-makers than any yet devised.

The point is that if this machinery is set up, the industry will be under the unremitting pressure and to some extent the supervision of its most effective critic, the medical profession, and the political whims of easily-influenced Governments will play a smaller role.

Energy

This strategy has still to be put into practice successfully. But the fact that it has been adumbrated at all and pushed through the relevant cabinet committees is proof of the remarkable energy and maturity of a man who is, after all, only a junior Minister to Mrs. Barbara Castle, and at 37, a young one.

To some extent, no doubt, his ability to carve out an independent position depends upon his own medical background—he was a neurologist at St. Thomas' Hospital until Harold Wilson made him a junior Minister in 1968 after only two years in Parliament.

But the "poacher-turned-gamekeeper" aspect of the matter is only part of the clue to his reputation as one of the most promising young politicians in either party.

The son of a Plymouth doctor (he retains the only English Labour seat west of Wedgwood Benn), he is superficially very much on the Jenkinsite wing of the party and is probably as close a personal friend of Roy Jenkins as any other MP. He is a brisk administrator and both in his present job and as junior Minister for the Navy under the last Labour Government has acquired a name for standing up both to officials and to his political superiors.

Yet, belying this public school self-confidence, he has strongly egalitarian views and more than the rudiments of a nonconformist conscience. It is he, after all, even more than Mrs. Castle, who has been pressing for the abolition of pay beds in the NHS.

Anachronism

His most successful political venture so far has been the Children's Bill which he first introduced as a private member's measure and has piloted through as Government legislation with persistence, patience and ingenuity.

His trouble—and the only thing that may prevent him from reaching the very top—is the shameless anachronism of his political style. The middle-class Socialist with the Oxbridge accent and the elegant appearance is a figure of the 1940s; and it remains to be seen whether he can be transported to the 1970s or 1980s.

Smith and Vorster in Pretoria talks

BY GRAHAM HATTON

JOHANNESBURG, Aug. 8.

THE RHODESIAN Prime Minister, Mr. Ian Smith, to-night started a series of talks in Pretoria with his South African counterpart, Mr. John Vorster, in what is seen here as South Africa's final initiative to get the two parties in Rhodesia round a conference table.

Mr. Smith arrived in Pretoria shortly before lunch with three of his Ministers — Mr. Rowan Cronje (Health, Labour and Social Welfare), Mr. Reg Cowper (Public Service and Co-ordination), and Mr. Wickus de Kock (Information, Immigration and Tourism). Also in Mr. Smith's party is Mr. Jack Gaylard, the secretary to the Prime Minister's office.

After lunching with Rhodesia's accredited diplomatic representative, the group met representatives of the Foreign Affairs Department. To-night's talks with Mr. Vorster will continue on Saturday at the South African Prime Minister's official residence.

Mr. Smith arrived here as Bishop Abel Muzorewa, President of the African National Council prepared to return to Africa from talks in London with the British Foreign Secretary, Mr. Callaghan.

Meanwhile, another ANC official, Mr. Joshua Nkomo, was understood to have left Rhodesia. Unconfirmed reports in Johannesburg mentioned that he had gone to Botswana where he met a senior Zambian Government official. It was strongly rumoured that Mr. Nkomo was to travel to South Africa.

The flurry of activities follows continuing contact between Pretoria and Lusaka. Mr. Brand Fourrie, the Secretary for Foreign Affairs, visited Lusaka on July 2 for talks on Rhodesia. The visit is understood to have been one of many contacts between officials of the two countries over the past few months.

While South Africa radio to-night emphasised that Pretoria was sticking to its policies of non-interference in the affairs of other countries, there is little doubt here that Mr. Vorster will again try to persuade Mr. Smith to start talking with Rhodesia's black nationalists.

Mr. Vorster's bargaining position has been considerably strengthened this week by two important events. There has been widespread political support throughout South Africa for Pretoria's declared intention to return its para-military forces south of the Limpopo and a resounding vote of confidence for Mr. Vorster's National Party in a by-election.

Sohio to sell $161m. of new Ordinary shares next month

BY JAY PALMER

NEW YORK, August 8.

THE STANDARD Oil Company of Ohio (Sohio), which is at present 25 per cent.-owned by British Petroleum, will next month sell about $161.5m-worth of new Ordinary shares.

It is thought to be one of the first equity offerings from any U.S. oil company for some years.

Sohio said that about 54 per cent. of the planned 2m.-share issue will be purchased by BP as part of its long-term plan to own a majority stake in the U.S. company. BP to-day said its purchase of these shares will increase its Sohio stake to just over 26 per cent.

BP's right to purchase a majority of these new shares comes under the terms of its original 1969 agreement with Sohio. That gave it its intial stake in Sohio and provided for it to increase its stake to 54 per cent. as Sohio's Alaskan oil field started production.

To avoid any ultimate dilution in BP's eventual holding, it was given the right to buy 54 per cent. of any interim share offering.

Sohio this morning refused to anticipate its formal registration of the new shares and discuss its plans for the cash. However, it is generally assumed that, in addition to normal internal capital needs, Sohio is after equity funds to finance its share of the trans-Alaskan pipeline and the actual Prudhoe Bay oilfield operations.

Together with BP, Sohio has already raised or arranged to raise $3.2bn. of the total $3.8bn. that the two companies have to put up towards the pipeline's costs.

In addition to its majority share of the remaining $600m., Sohio is estimated to require over $500m.-worth of debt and equity funds to put towards field operations.

As seems likely, Sohio aims to raise about 15 per cent. of the total funds required for both projects in the equity market. This present $161.5m. offering leaves it with another $250m. or so to raise. Its further debt needs will total about $510m.

At the moment, Sohio's shares, at $81, are close to their 1975 high. With the company aiming to hold down its future debt-to-equity ratio to no more than 65 per cent. (against about 48 per cent. now and 15 per cent. six years ago), the present high share provides a good opportunity.

More gold assayed

AGAINST a generally firm demand for gold, the London Assay Office hallmarked 125 per cent. more weight of 22 carat metal in July than during this period last year though the total weight of all the gold tested rose by a more modest 7 per cent. to 2,062,248 grams.

Twenty-two carat gold, which contains 91.6 per cent. fine or "pure" gold, is the highest legal standard for this metal; the exceptional increase was attributable to commemorative medallions in this standard, according to to-day's figures from the Assay Office.

The weight of silver sent for assay gained 15 per cent. over the same month last year to a total of 7,412,885 grams.

Weather

U.K. TO-DAY

THUNDERY RAIN and sunny spells. Mainly dry in Scotland.

London, Midlands, Cent. N. England
Thundery rain, some sunny spells. Wind E., light. Max 28-30C (82-86F).

E., S.E. and Cent. S. England, E. Anglia
Thundery rain, sunny spells. Wind N., light. Max. 28-30C (82-86F).

Channel Is., S.W. England, Wales
Thundery rain, sunny spells later. Wind N., light or moderate. Max. 22-24C (72-75F).

N.W. England, Lakes
Rain early, sunny spells. Wind N., light. Max. 23C (73F).

N.E. England, Borders, Edinburgh, Dundee, Aberdeen
Thundery rain, sunny spells. Coastal fog. Wind E., light. Max. 25C (77F).

I. of Man, S.W. Scotland, Glasgow, Cent. Highlands, Moray Firth, Argyll, N. Ireland
Mainly dry, sunny spells. Wind W., light. Max. 22C (72F).

N.E. and N.W. Scotland, Orkney
Mainly dry, sunny periods. Wind S.W., light. Max. 20C (68F).

Shetland
Thundery showers. Coastal fog. Wind S., light. Max. 17C (63F).

Outlook: Mostly dry, sunny spells.

Lighting - up: London 21.06, Manchester 21.22, Glasgow 21.39, Belfast 21.41.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Alexandria	C	30	86	Luxembg.	S	29	84
Amstrdm	S	31	88	Madrid	S	33	91
Athens	F	27	81	Manchestr	F	29	84
Bahrain	S	37	99	Melbourne	S	13	55
Barcelona	S	30	86	Mexico C.	S	20	68
Beirut	S	29	84	Milan	S	29	84
Belfast	S	22	72	Montreal	S	24	75
Belgrade	C	21	70	Moscow	F	22	72
Berlin	S	30	86	Munich	S	23	73
Birmghm	S	29	84	Newcastle	S	26	79
Bristol	S	28	82	New York	C	20	68
Brussels	S	33	91	Oslo	S	31	88
Budapest	F	26	79	Paris	S	34	93
B. Aires	S	12	54	Perth	C	17	63
Cairo	S	31	88	Prague	S	28	82
Cardiff	F	26	79	Reykjavik	R	12	54
Cologne	S	32	90	Rio de J'o	C	26	79
Copnhagn	S	27	81	Rome	S	30	86
Dublin	R	19	66	Singapore	S	31	88
Edinburgh	F	21	70	Stockholm	S	33	91
Frankfurt	S	30	86	Strasbourg	S	30	86
Geneva	S	26	79	Sydney	C	14	57
Glasgow	S	25	77	Tehran	S	37	99
Helsinki	S	30	86	Tokyo	C	29	84
H. Kong	C	27	81	Toronto	S	24	75
Jo'burg	S	25	77	Vienna	F	25	77
Lisbon	S	26	79	Warsaw	S	29	84
London	S	31	88	Zurich	S	26	79

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	S	28	82	Jersey	C	27	81
Biarritz	C	24	75	Las Palmas	S	25	77
Blackpool	S	24	75	Locarno	S	28	82
Bordeaux	F	27	81	Majorca	F	30	86
Boulogne	S	30	86	Malaga	S	32	90
Casablnca	S	22	72	Malta	S	33	92
Cape Tn.	C	19	66	Nairobi	C	17	63
Corfu	S	30	86	Naples	F	28	82
Dubrovnik	F	26	79	Nassau	R	26	79
Faro	S	30	86	Nice	S	27	81
Florence	S	31	88	Nicosia	S	28	82
Funchal	S	24	75	Oporto	S	22	72
Gibraltar	S	27	81	Rhodes	S	26	79
Guernsey	F	25	77	Salzburg	F	24	75
Innsbruck	F	25	77	Tangier	S	27	81
Inverness	F	21	70	Tenerife	S	25	77
I of Man	S	23	73	Valencia	S	34	93
Istanbul	C	24	75	Venice	S	26	79

S—Sunny. F—Fair. C—Cloudy. R—Rain.

Journalist pickets arrested in clash

By John Wyles, Labour Reporter

FOURTEEN JOURNALISTS were arrested yesterday after clashes between pickets and police outside the offices of the Birmingham Post and Evening Mail, the scene of an increasingly bitter five-week dispute over journalists' pay.

The arrests came after police tried to tow away two cars which were preventing newsprint lorries from leaving the newspaper building. Eggs were thrown and scuffles broke out with journalists sitting in the road. The 14 people arrested were later remanded on bail on charges under the Public Order Act and will appear in court next Wednesday.

These events come only five weeks after 25 printing workers were arrested after picketing incidents during a quite different dispute at Sharman newspaper group in Peterborough.

Meanwhile talks were adjourned last night after a five-hour bid to settle the stoppage by the 250 Birmingham journalists which began last month when they were dismissed for holding disruptive mandatory chapel (office branch) meetings to discuss their pay dispute with management.

The Advisory Conciliation and Arbitration Service, whose senior industrial relations officer in Birmingham, Mr. Steve Hemingway, acted as chairman, is expected to arrange further talks on Monday following the "progress" made yesterday.

Publication of the Evening Mail was halted yesterday for the first time since the dispute began when printing workers walked out after two former members of the National Union of Journalists reported for work. According to management the two had resigned from the NUJ three weeks ago and had joined the Institute of Journalists whose members have worked normally throughout the row.

● Talks are expected to continue to-day in a bid to avert protest action which will prevent publication of to-morrow's Observer. Chapel leaders of all printing unions at the Observer yesterday refused to accept the 200 compulsory redundancy notices sent out by management on Monday.

Publication of the newspaper has already been severely jeopardised by a stoppage over the redundancy issue yesterday involving members of the National Graphical Association.

Italian Cabinet gives go-ahead to reflation package

BY ANTHONY ROBINSON

ROME, August 8.

THE ITALIAN Cabinet to-day approved a reflationary package which Treasury Minister Emilio Colombo said would pump between L3,500bn. and L4,000bn. (£2.4bn.-£2.75bn.) into the economy over the next two years.

It is the Government's response to the 12 per cent. plus drop in industrial output over the first half of this year and to rising unemployment — the tangible results of last year's tight fiscal and monetary policies—which have brought about a drastic improvement in the balance of payments at the price of an unprecedently sharp recession.

The declared aim of the new package is to reflate the economy as quickly as possible by selecting projects already in an advanced state of preparation or those under way but blocked because of the previous credit squeeze.

Care has been taken to favour projects in the export, agricultural, industrial and social fields which will have the maximum effect on employment. The new package has to be approved by parliament and will be introduced there in ten days' time.

The package consists of a complex series of measures stimulating investment in specific sectors. In an attempt to boost exports, for example, the Cabinet has approved a rise in the volume of export credits finance from L1,400bn. to L3,500bn.

It also went some way to meet industrialists' demands for a reduction in the burden of social charges, which currently amount to more than 40 per cent. of total wage costs, by abolishing until September 1976 social charges imposed on women employed in industry.

This is expected to cost the exchequer some L320bn. and will particularly help the crisis-ridden textile industry, which employs 550,000 women workers, and the food processing industry, another crisis sector particularly in Southern Italy.

Nuclear plant

Minister of Public Works Sig. Pietro Buccalossi, said that some L2,025bn. of the total will be devoted to the housing and public works sector while a further L440bn. has been earmarked to finance the nuclear power plant construction programme.

Of the above total, 600bn. has been set aside to finance workers' housing projects and a further L750bn. for housing projects undertaken under the aegis of the various regions. Some L40bn. has been set aside specifically for co-operatives plus building activities.

A further 50bn. lire will be used for immediate improvements to the major ports and 10bn. lire for improvements to Fiumicino airport in Rome.

In the direct industrial sector, L120bn. has been ear-marked for small and medium companies to re-structure their plants, and L100m. for the Medio Credito Credit Institute over the next three years to finance the distribution of subsidised credits.

Funds have also been set aside for modernisation of agriculture and completion of irrigation projects.

At the same time, the Cabinet ratified the appointment of Sig. Paolo Baffi to succeed Sig. Guido Carli as Governor of the Bank of Italy, chose Banco Di Roma managing director Sig. Ferdinando Ventriglia to replace Sig. Gastone Miconi, the new chairman of the securities and exchange commission Consob, as director general of the Treasury, and appointed the 70-year-old general manager of Efim, Sig. Attilio Jacaboni, to replace Sig. Pietro Sette as chairman of Efim.

Sig. Sette was recently appointed chairman of ENI.

Alfred Herbert chief leaves

BY NICHOLAS LESLIE

MR. NEALE RAINE is to relinquish his position as chief executive of the ailing Alfred Herbert machine tools group, which has just received £25m. of Government finance. He will be succeeded in about a month's time by Mr. Walter Lees, at present managing director of the machine tool division of Tube Investments.

This was announced in a brief statement by the company yesterday. No reason for the change was given and Mr. John Buckley, the acting chairman, was reluctant to elaborate. Mr. Buckley, who is also chairman of Davy International, the engineering and contracting group, recently became acting chairman for the duration of the company's reconstruction, having been appointed to the Board in March at the request of former Industry Secretary, Mr. Anthony Wedgwood Benn.

Nonetheless, it is clear that Mr. Raine's departure is a direct consequence of Mr. Buckley's joining the company and the Government's agreement to give £25m. of aid. Mr. Eric Varley, Industry Secretary, made it clear that the company should concentrate only on profitable operations and should itself "determine the strategy and the consequent pattern of production to give effect to this purpose."

Mr. Raine joined Herbert in 1971 when the machine tools group was already in financial trouble. Despite great efforts being made, the company continued to incur losses in a climate of a depressed industry and continual lack of finance.

It is understood that Mr. Raine has a service contract which will mean a compensation payment in due course. When Sir Richard Young departed as chairman about 16 months ago, he received a compensation payment of £67,000.

Mr. Raine said last night that he felt he had done a hard 4½ years and had got to the stage of refinancing the company that he had set out to do. "With all that behind me, perhaps a new face might be for the best," he said.

Mr. Lees, 48, has been managing director of the TI machine tools division since 1971. Until he joins the company, Mr. D. M. Davies, Herbert's financial director, will act as chief executive.

THE LEX COLUMN

Phew! What a scorcher

Index rose 1.1 to 278.8

No change in MLR, a steadier day for Sterling, and money supply figures from the U.S. which were sluggish enough to encourage the hope that the Fed may not feel obliged to squeeze interest rates much higher: all this was rather comforting news yesterday. But there was not much sign of enthusiasm, especially after Citibank announced its prime rate hike. As for equities, average daily bargains over the past five days were again the lowest on record—nearly a tenth below the previous week's level.

Heatwave

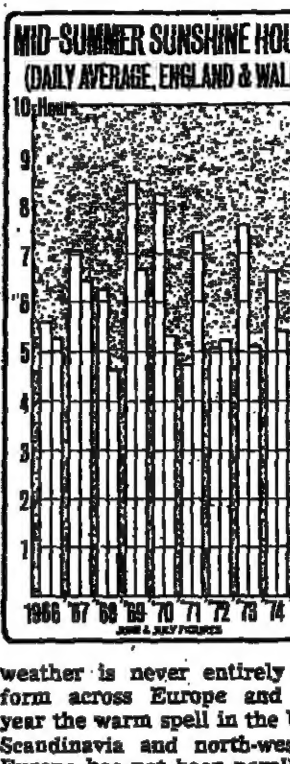
It really is a heatwave—so far this month the amount of sunshine has been roughly double the daily average for August over the last 35 years. This follows a June when daily sunshine was by far the highest for over a decade, and a July which was easily the best since 1971. Indeed the warm spell has now lasted long enough to have a significant impact on a lot of companies, apart from severely testing the cliché resources of Fleet Street.

The main beneficiaries have been the brewers, and demand has been such that shortages have appeared in certain areas and—the ultimate horror—pubs have even run out of beer. Lager sales, in particular, are described as "very buoyant" by both Allied Breweries and Bass, while at Grand Metropolitan, lager deliveries in June and July were 45 per cent. higher than in the same months of 1974, and there has been rationing in London and the Home Counties. Lager is now important for several of the majors—accounting for around a fifth of the total beer sales of Bass, and perhaps about 15 per cent. of Allied's beer output.

Draught beer sales generally have been booming compared with last year's poor summer, and Allied, for one, has seen a definite switch away from shorts of various kinds. But this and any trading down within the bitter range has been more than offset by the increased volume, though no figures are available yet. It could make quite a difference to the brewing results, remembering that the marginal barrel can be very profitable.

Cider sales have also been very strong: at Bulmer, volume was up a fifth in both June and July, and the group is now working close to capacity and is running three eight-hour shifts daily. In 1974, May to August accounted for 36 per cent. of total sales, and the share should be higher this year. Soft drinks sales are also doing well with Bass' Canada Dry offshoot "sweating" to meet demand and Cadbury-Schweppes well up.

The amount of sunshine is of especial interest to the ice cream makers, and the difference between an indifferent summer and a generally good one throughout Europe has been estimated to be worth between £3m. to £5m. in profits to Unilever. Of course, the



weather is never entirely uniform across Europe and this year the warm spell in the U.K., Scandinavia and north-western Europe has not been paralleled in southern Germany, Austria and Switzerland, where conditions have been more mixed. Fine summer weather is even more important relatively for J. Lyons, where Lyons Maid probably earned about £900,000 last year: in a good summer, when two-thirds of all ice creams are sold, this side could make perhaps £2m. or so, and the season has "gone very well so far." For the group, pre-tax profits last year were £9.2m.

The good weather has not made as much difference as might have been expected so far to the holiday camp operators. Pontins, for instance, point out that reservations for June and July are generally made a fair time ahead and the group tends to be fully booked anyway during this period regardless of weather conditions. But a continuation of the warm spell could induce more people to take late holidays (possibly stockbrokers at present levels of business) and thus extend the profitable summer period.

It is more difficult to assess the impact of the heatwave on hotel bookings but Grand Met says this side is "quite significantly ahead of budget" so far, and Sir Charles Forte reports that occupancy in hotels outside London is about two to three points better than last year at 68 to 70 per cent.

Temperatures in the 80s and 90s have discouraged the more energetic indoor frolicks—as has been reflected in Mecca's dance hall takings—though more sedate activities like bingo have held up well. Nevertheless, the weather has had its adverse side for business—for example on stores, where fridges and freezers are among the few big items to be selling well. In the entertainment field even though Madame Tussaud's is enjoying a record year for attendance, it reckons its takings might have been perhaps a tenth better if the weather had been worse. Wait till next year.

Mercantile Credit

Mercantile Credit's current borrowings—according to the Barclay's offer document—total £359m., of which £166m. is by courtesy of the lifeboat. Although the crisis in the financial sector may seem less acute these days, Mercantile has to report that there has not been a significant return of deposits from normal market channels in recent months. And the possibility of further provisions against the property portfolio is also admitted.

In addition, Mercantile points out the advantages of the takeover in terms of competing with those other finance houses that are already controlled by the clearers. This applies to confidence as well as to money costs, and the trend in deposits has already swung back in Mercantile's favour since the bid was announced. With its net worth down to perhaps £20m., and little chance of the dividend being fully restored for some time to come, this deal is obviously in the best interests of the group's shareholders. But it does mark a further concentration of power in the hands of the clearers, and raises questions about the scope for independent competition in the present financial system.

Continued from Page 1

Car-dumping probe

from districts especially hard-hit by the motor industry's slump. Latest July sales figures, showing that imports now have 20 per cent. of the market, and that their share increased by 31 per cent. while U.S. manufacturers' sales continued to decline, have predictably added to the pressure on Washington.

The Ford Administration is known to share the view of the U.S. motor industry that imports have not been responsible for the woes of Detroit. The White House is believed to have tried to head off or at least delay the Treasury investigation, but has found itself the prisoner of the new Trade Act.

In contrast to the provisions applicable in countervailing duty disputes, there is no discretionary power under the Act for the Administration to waive its investigatory obligations on the grounds that bona fide discussions are going on between Governments in order to resolve the problem.

Terry Dodsworth writes: British Leyland said that the anti-dumping charges referred to its 1974 Marina model which had, for a time, carried a $200 rebate. This had now been replaced by the fully-priced 1975 model.

The company added: "The legislation concerning dumping is extremely complex, involving factors which will require negotiations with the U.S. authorities which have not yet been commenced. However, BL believes that when all the facts have been fully assessed no finding of dumping will be justified."

Anthony Robinson writes from Rome: All Fiat and Alfa plants are closed for the summer holidays. But Sig. Giovanni Agnelli of Fiat in particular is one of the leading spokesmen for the virtues of free international trade and fair competition.

At home, Fiat is currently involved in a bitter dispute with Alfa Romeo, which it accuses of damaging Fiat by selling its Alfa Sud model on the Italian market below cost. Alfa has replied by stating that virtually all car companies are making a loss

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